FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 136 *13 July 1984*

INTER-AMERICAN AFFAIRS

Andean Group Holds Foreign Debt Seminar A 1

ARGENTINA

Alfonsin Acknowledges Businessmen's Support B 1
Grinspun Returns From Europe, Discusses Economy B 1
Caputo Returns From Lima, Comments on Talks B 2
New Envoy to Vatican Confident on Beagle Accord B 3
[BUENOS AIRES HERALD 11 Jul]
Chilean Envoy Summoned Over Trade With Falklands B 3
Under Secretary on Army Changes, General's Speech B 3
Names of New Army Leadership Announced B 4
Biographical Data B 4
Government Orders Military Personnel To Testify B 6
Deputy Denies Claiming Army-Firmenich Link B 6
[BUENOS AIRES HERALD 10 Jul]
PRC Delegation Visits, Received by Justicialists B 7
Tours Jujuy Province B 7
Clandestine Communications Station Discovered [LA NACION 6 Jul] B 7

BOLIVIA

Cabinet, Military Changes Set for August C 1
Finance Minister Fears Reprisals by Banks C 1
Saravia Statement Attacks Government, Military C 2
Military Analyzes Letter C 3
HOY Refutes Saravia Charges [12 Jul] C 3
Rueda, Alvarez on Statement C 5
Interior Minister's Views C 6
Cardenas, COB Leader React C 6
Senator Denounces Torture of Political Prisoners C 6
COB Sixth Congress Postponed Until August C 7
Aircraft Carrying Money Crashes at Airport C 7
EL DIARIO Denounces Arrest of Journalist [3 Jul] C 7

BRAZIL

Figueiredo Guarantees Freedom of Expression D 1
UK Minister Young Discusses Debt, Falklands D 1
Minister Says Satellite Launch Plans Progressing D 2
Energy Minister Forecasts Oil Self-Sufficiency D 2
Petrobras Maintains Oil Imports From Iraq [O GLOBO 10 Jul] D 2
Proposed Visit by Nicaragua's Ramirez Rejected D 2
Firmenich Concerned Over Safety if Extradited D 3
PDS Leader Urges Government of Reconciliation D 3
Chaves May Back Neves' Presidential Candidacy D 4
[LATIN AMERICA DAILY POST 11 Jul]
Fire at Brasilia Bar Association Investigated D 5

CHILE

Del Valle Optimistic Over Beagle Mediation E 1
Paraguayan Foreign Minister Arrives for Visit [EL MERCURIO 11 Jul] E 2
Communique Issued on Visit
Joint Communique Issued E 3
Political Groups Reject Right of Civil Violence E 3
[EL MERCURIO 7 Jul]
National Democratic Accord President Assumes Post E 4
Center-Right Parties Forming Federation E 4
Christian Democratic Workers Front Created E 5
'Hundreds' of Students Clash With Police E 5

COLOMBIA

Ramirez Ocampo Discusses Contadora Document F 1
Attorney General on Talks With Drug Traffickers F 1
M-19 Opposes Government Fumigation Plan F 2

PARAGUAY

Colorado Party President Praises Nation's Policies H 1
[ULTIMA HORA 10 Jul]
Mopoco Repudiates Prohibition on Assembly [ULTIMA HORA 6 Jul] H 1
Issues Communique on Plenum [ULTIMA HORA 10 Jul] H 2

PERU

Mariategui, Caputo on Interest Rates, Contadora J 1
Minister Benavides: Army Ready To Fight Terrorists J 2
Reportage on Guerrilla Activities, Clashes J 2
Fighting in La Libertad J 2
Attacks Near Ayacucho J 3
Indian Peasants 'Massacred' J 3
Escalating Violence J 4
100 Terrorists Killed J 4
Terrorists Killed J 4
Briefs: Economy, Commerce Vice Ministers; Debt to USSR J 4

URUGUAY

EL DIA Criticises U.S. Banking Policy [30 Jun] K 1
Seregni Says No Talks Until Situation Eases K 1
Blanco Party To Hold Demonstrations 16 July K 1
'Political Prisoners' Families Begin Fast K 1

MEXICO

More on FRG Chancellor's Press Conference M 1
Sepulveda Discusses Visit M 1
Senator on Meeting of Latin America Parliament M 2
Commission Appointed on Migratory Workers M 2
[EL SOL DE MEXICO 7 Jul]
Shipping Company To Be Established With Spain M 2
First Quarter Trade Surplus With Middle East M 3

PANAMA

Reportage on Canal Compensation Controversy N 1
U.S. Members' Position [CRITICA 12 Jul] N 1
Benefits Approved N 1
Oyden Ortega Critical N 1
Group Claims Responsibility for Explosions [YA 11 Jul] N 2

CENTRAL AMERICA

COSTA RICA

Panama's Ardito Barletta Visits, Meets With Monge P 1
Briefs: Marijuana Production P 1

EL SALVADOR

Duarte Press Conference on Guerrillas, Other Issues P 2
Government Decides Not To Devalue Currency P 7
Paraguayan Mopoco Members Join Guerrillas P 7
Venceremos Reviews Military Operations P 8

GUATEMALA

Government Explains Stand on Trade With Honduras P 9
[EL GRAFICO 12 Jul]

HONDURAS

Spanish Ambassador Discusses Aircraft Sale P 9

NICARAGUA

D. Ortega Expresses 'Readiness' for Reagan Meeting P 9
FRG Envoy To Protest 'Attacks' P 10
Spanish Government Protests Priests' Expulsion P 10
Embassy in Washington on CIA 'Invasion' Plan P 10
D. Ortega, Ramirez on Economy, 'Vigilance' P 11
Nunez Views Revolutionary Gains, Aggression P 14
Lay Christians Issue Statement on Elections P 14
Conservative Party Applies for Legal Status P 14
[LA PRENSA 11 Jul]
Voice of Sandino Reports Operations, Casualties P 15
Fighting on Atlantic Coast P 15
10 EPS Troops Killed P 16
Clash With EPS Special Forces P 16
FDN Claims 180 EPS Casualties in Tortuguero P 17
Voice of Sandino Condemns Priests' Expulsion P 17

CUBA

U.S. Criticizes Nicaragua's Expulsion of Priests Q 1
Mexico Studies Effects of Simpson-Mazzoli Bill Q 1
Nicaragua's Ramirez Begins Latin American Tour Q 2
Arrives in Bogota Q 2
Released Cuban Prisoner Describes Jail System [Paris LE MONDE 6 Jul] Q 2
Bolivian Kidnapper Paid by Drug Traffickers Q 3

ANDEAN GROUP HOLDS FOREIGN DEBT SEMINAR

PY121435 Paris AFP in Spanish 2345 GMT 11 Jul 84

[Text] Lima, 11 Jul (AFP) -- If the region's foreign debt problem is not properly resolved, the future of Latin America can be jeopardized for several generations, Peruvian Economy Minister Jose Benavides warned today.

Opening the seminar on foreign debt being held at the initiative of the Andean Group, Minister Benavides noted that the root of the difficulty in meeting foreign debt obligations can be found in the decline of trade terms for the main export products and in the rise of international interest rates.

The final solution to the problem involves the correction of those two factors, which are not under the control of the region's countries and which cannot be internally corrected, not even with drastic measures.

For his part, Pedro Carmona, the coordinator of the Cartagena Agreement Board, said that the organs of the Andean Group should be used by member countries whenever they need technical assistance in the renegotiation of their foreign debts. Carmona mentioned that the Board sent a technical mission to La Paz in late June to assist Bolivian authorities in the renegotiation of that country's foreign debt.

He pointed out that the events have demonstrated that Latin America cannot rely on the solidarity of industrialized countries to solve this debt problem, and so they must reinforce the solidarity and multilateral cooperation within the region.

OAS representative Antonio Lulli said that the seminar was a practical application of the Quito and Cartagena agreements regarding the region's foreign debt.

The seminar will end Friday, 13 July and is being attended by public credit directors and high-ranking officials of the five member countries of the Cartagena Agreement: Bolivia, Peru, Ecuador, Colombia, and Venezuela. This seminar is also being attended by UNCTAD, SELA (Latin American Economic System), and CEPAL (UN Economic Commission for Latin America) experts, as well as by those of other Latin American or Andean organizations.

Andean Group sources anticipated that a mechanism for foreign debt information exchange will be institutionally set up. It will also help to establish new low-social-cost approaches to foreign debt renegotiations.

ALFONSIN ACKNOWLEDGES BUSINESSMEN'S SUPPORT

PY112222 Buenos Aires Domestic Service in Spanish 2000 GMT 11 Jul 84

[Text] President Alfonsin spoke to Argentine businessmen during the ceremony that marked the 130th anniversary of the founding of the Stock Exchange. The ceremony was held last night, and our news service recorded an excerpt of his speech:

[Begin recording] I feel that not only dictatorships challenge democracy [applause] but that divisive attitudes, corporative attitudes, and the championing of elite groups, which in the end pose a threat to the common good, also challenge democracy. Therefore, when a big organization like this one, from which the country expects so much, expresses understanding for the situation that we are enduring, thus overcoming private interests, and when the need for a common and joint struggle is voiced for overcoming all this that we are enduring, the president of the nation feels called upon to emphasize it so that the whole Argentine nation understands that it is through attitudes like these that we will progress. [end recording]

GRINSPUN RETURNS FROM EUROPE, DISCUSSES ECONOMY

PY102342 Buenos Aires Domestic Service in Spanish 2000 GMT 10 Jul 84

[Economy Minister Bernardo Grinspun interviewed at Ezeiza Airport on 10 July upon Grinspun's return from Europe -- recorded]

[Text] [Grinspun] I contacted the IMF managing director and 25 other persons who also attended the seminar at the invitation of the Organization for Economic Cooperation and Development. We were there to deal with issues related to international cooperation, and not with the Argentine situation.

[Question indistinct]

[Grinspun] Not at all. All officials went on their own. The ministers in the pertinent field from five developing countries attended. Argentina was the only Latin American country present. Pakistan, India, Mozambique, and Senegal also were represented. The other ministers in attendance were from Western industrialized countries and the United States. Also present were officials and leaders of the society [words indistinct] cooperation for development.

[Unidentified reporter] Dr Grinspun, was the Argentine debt issue discussed?

[Grinspun] I am telling you that the talks focused on the multilateral cooperation through the organization's agencies. The Argentine issue was not at stake.

[Reporter] And what were the (?conclusions) in that regard?

[Grinspun] Well, I think that there is a mechanism for worldwide cooperation [words indistinct] and those who are not UN members. The overall situation and the multilateral cooperation, especially concerning the African countries south of the Sahara Desert, which are the world's poorest, was reviewed. [passage indistinct]

[Question indistinct]

[Grinspun] One of the guests at the meeting was the president of the World Bank, Dr Clausen. We talked privately with Mr Clausen and he, as on other occasions [words indistinct], told me that the World Bank is willing to cooperate in a recovery program for the Argentine infrastructure.

[Reporter] How?

[Grinspun] With credits; the bank grants credits.

[Question indistinct]

[Grinspun] We submit projects, the bank rates them, and we are granted the credits. [passage indistinct]

[Reporter] There has been much talk recently that over the next few days you will address the nation reporting on a medium-term loan for the country's economic recovery.

[Grinspun] Well, I have just arrived in the country and I have not yet talked with my aides. I left them an assignment, an all-inclusive survey. I will study it today as soon as I get there and [words indistinct].

[Reporter] Please, can you tell us somethin in advance?

[Grinspun] I cannot tell you anything until I talk with my aides. I have just arrived in the country. [passage indistinct]

[Reporter] Mr Saul Ubaldini has said that here in Argentina there is currently no economic program. What are your comments on this?

[Grinspun] We will wait for developments and then we will reply to Mr Ubaldini and to the whole nation.

[Reporter] Is the General Confederation of Laboe-sponsored scheme for this medium-term program being taken into account?

[Grinspun] We, at all times, take into account all the ideas of the people who [word indistinct] respectfully the country.

CAPUTO RETURNS FROM LIMA, COMMENTS ON TALKS

PY112049 Buenos Aires TELAM in Spanish 1049 GMT 11 Jul 84

[Text] Buenos Aires, 11 Jul (TELAM) -- Upon returning from Lima, Foreign Minister Dante Caputo this morning said that the talks he held with Peruvian President Fernando Belaunde and Sandro Mariategui, his Peruvian counterpart, were highly satisfactory. In addition to bilateral issues, Caputo said, we discussed the foreign debt problem, on which we share many points of agreement.

Speaking at Ezeiza Airport, Caputo said that such points of agreement are important in view of the preparatory meeting to be held in Buenos Aires in August, before the meeting that the ministers will hold in September as a continuation of the Cartagena summit. He pointed out that the talks on the preparatory meeting were very useful because they allowed us to advance our work.

He added that efforts have been made to go beyond purely rhetorical meetings, and explained that even though the Cartatena summit was a step forward, there is still a long way to go. Therefore, he continued, our concern, Latin America's concern, is how we apply and put work the ideas we have.

He dismissed any idea that the United States may exert pressure, and maintained that the main difficulty is to conceive a method for solving the situation through negotiations that should take into account all sides of the question. Our concern, he went on, which is also the concern of all Latin American countries, is how to implement the mechanisms of work and action so that our meetings will not be merely rhetorical.

Concerning the meeting he held with his Chilean counterpart, Caputo said: "We exchanged views on the negotiations. Both of us believe that it is a positive process that is continuing to move forward. We also discussed the foreign debt issue."

NEW ENVOY TO VATICAN CONFIDENT ON BEAGLE ACCORD

PY120102 Buenos Aires BUENOS AIRES HERALD in English 11 Jul 84 p 11

[Text] (NA-DYN) -- Santiago de Estrada, the newly-appointed ambassador to the Vatican, yesterday said he would join the mediation talks on the Beagle Channel conflict with Chile when he takes up his post next week. He said he was confident an agreement satisfactory to both sides would be reached shortly. De Estrada, who for years served as social security secretary under the former military regime, called on President Raul Alfonsin to bid farewell before flying to Rome on Friday.

CHILEAN ENVOY SUMMONED OVER TRADE WITH FALKLANDS

PY122239 Buenos Aires TELAM in Spanish 2200 GMT 12 Jul 84

[Text] Buenos Aires, 12 Jul (TELAM) -- The Foreign Ministery today reported that Ambassador Elsa Kelly, the international relations secretary, has told the Chilean ambassador to Argentina, Arturo Fontaine Aldunate, of the Argentine Government's annoyance over the Chilean Government's decision to resume trade with the Malvinas Islands.

In keeping with Foreign Minister Dante Caputo's instructions, the Chilean ambassador today was summoned to the Foreign Ministry, where he was received by Ambassador Kelly. During the meeting Kelly handed the ambassador a memorandum in which the Argentine Government officially expressed its annoyance over the Chilean decision.

Reports from Punta Arenas this week stated that merchandise has been sent to the islands, which have been seized by Great Britain. The memorandum that Ambassador Kelly submitted expressed the Argentine Government's official position on the issue.

Official Foreign Ministry sources noted that by resuming trade with the Malvinas Islands, the Chilean Government is not acting in keeping with Latin American solidarity and that this attitude may have a negative impact on Argentine public opinion at a time when the Argentine and Chilean Governments are negotiating a solution to the border dispute over the Beagle Channel through papal mediation.

UNDER SECRETARY ON ARMY CHANGES, GENERAL'S SPEECH

PY110335 Buenos Aires TELAM in Spanish 2212 GMT 10 Jul 84

[Text] Buenos Aires, 10 Jul (TELAM) -- The changes that have taken place in the Army High Command tended to ward off the development of a state of uncertainty in that force, Defense Under Secretary Horacio Jaunarena said during a radio program today.

In response to a question, he said that his decision not to reply to the remarks made in a speech delivered by General Cayo Alsina, retired, during the comradeship dinner of retired officers should be interpreted as a gesture of the constitutional government headed by President Alfonsin calling for national unity.

Jaunarena pointed out that this was his position during the dinner and the retired Air Force general concluded his message by calling for unity. He said, however, that a call for unity cannot be made by reaffirming sectorial, unilateral, or intolerant positions.

Jaunarena said that this type of attitude by some retired officers cannot be corrected through sanctions, but through the judgment they deserve from the public. He said: If we support sectorial viewpoints, we are not going to achieve the national unity we want. National unity will only be achieved if we follow the path of democracy.

NAMES OF NEW ARMY LEADERSHIP ANNOUNCED

PY110356 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2315 GMT 10 Jul 84

[Text] Buenos Aires, 10 Jul (NA) -- The new Army leadership, which was officially disclosed tonight by the Defense Ministry, is made up of the following officers:

Army Chief of Staff: Brigadier General (class of 1980) Ricardo Pianta (Artillery);
Deputy Chief of Staff: Brigadier General (class of 1981) Raul Schrimer (engineer) (he continues to be head of Command No 2, Intelligence of the Army staff);
Army Instruction Director: Brigadier General (class of 1981) Mario Aguado Benitez (Cavalry);
I Corps Commander: Brigadier General (class of 1981) Guillermo Fonseca (Cavalry);
II Corps Commander: Brigadier General (class of 1981) Victor Pino (Infantry);
III Corps Commander: Brigadier General Hector Rios Erenu (Infantry);
IV Corps Commander: (temporary) Colonel Carlos Rito Burgos;
V Corps Commander: Brigadier General (class of 1981) Mario Jaime Sanchez (Infantry);
Army Under Secretary General: Brigadier General (class of 1981) Enrique Ottino (Infantry);
Command No 1 of the Army staff (Personnel): to be appointed;
Command No 2 (Intelligence): temporarily headed by Schirmer;
Command No 3 (Operations): Brigadier General (class of 1981) Vicente Belli (engineer);
Logistic Command: Brigadier General (class of 1981) Juan Carlos Benito (Artillery);
General Accountant: Brigadier General Rodolfo Chinni (quartermaster);
Delegate before the Inter-American Defense Board: Brigadier General (class of 1981) Juan Rodriguez Spada (engineer).

Biographical Data

PY112027 Buenos Aires TELAM in Spanish 2354 GMT 10 Jul 84

[Text] Buenos Aires, 10 Jul (TELAM) -- The new military team that will assist the recently appointed Army chief of staff, Brigadier General Ricardo Gustavo Pianta, has been assembled.

General Mario Aguado Benitez is the new head of Army Institutes; General Raul Federico Schrimer is the deputy chief of staff; General Victor Pino is the commander of the II Corps; General Hector Luis Rios Erenu is the commander of the III Corps; General Mario Jaime Sanchez is the commander of the V Corps; and Colonel Carlos Rito has been placed temporarily in charge of the IV Corps, headquartered in La Pampa.

Brigadier General Mario Aguado Benitez, who up to now has commanded the V Corps, headquartered in Bahia Blanca, was born in Buenos Aires on 9 May 1930. He graduated from the Military School as a sublieutenant in December 1950 and was posted to the 12th Cavalry Regiment. A year later he attended a course in the United States on advanced armored vehicles. In December 1981 he rose to brigadier general and was appointed commander of the 1st Armored Cavalry Regiment. Aguado Benitez took over as commander of the V Corps on 28 December, which gave this unit additional prestige since Aguado Benitez was the most senior brigadier general.

General Raul Schrimer, the new deputy chief of staff, who up to now has been the head of the Intelligence Department, was born in Buenos Aires on 12 February 1929. After graduating as a sublieutenant in 1951, he was assigned to the 4th Engineering Battalion. He has also served in the Sargento Cabral School for Noncommissioned Officers, in the National Military College, in the 6th Mortarized Mountain Engineering Battalion, in the Higher School of War, and at the 5th Infantry Brigade, among others.

Brigadier General Victor Pino, up to now chief of operations of the Army staff, was appointed commander of the II Corps, headquarted in Rosario. General Pino was born in Buenos Aires on 26 December 1931. He has served in the 28th and 6th Infantry Regiments, in the Military School, and in the 7th Infantry Regiment. He has served with the 7th Infantry Brigade Staff and the Army Staff, and in October 1982 he was posted to the 4th Mountain Infantry Brigade Staff. Among the military qualifications General Pino has are those of staff officer and special parachute training.

Brigadier General Hector Luis Rios Erenu, the new commander of the V Corps headquartered in Cordoba, who used to command the II Corps headquartered in Rosario, has replaced the recently relieved General Pedro Pablo Mansilla. Rios Erenu was born in Santa Fe Province on 19 October 1930. He has served in the 13th Infantry Regiment, the General Espejo and General Paz Military Schools, the 1st Batalion of the 22d Mountain Infantry Regiment, the School of Infantry, the III Corps Staff in 1965, and the 6th Infantry Brigade in 1982. He is a staff officer and had the Military Order of Ayacucho in the Grade of Knight bestowed on him by the Peruvian Government. Brigadier General Mario Jaime Sanchez, the new commander of the V Corps headquartered in Bahia Blanca, has up to now been the head of operations of the Joint Chiefs of Staff. He was born in Buenos Aires Province on 16 January 1931. He has served in the 5th and 7th Infantry Regiments, the 1st Battalion of Arsenals, the Sargento Cabral School for Noncommissioned Officers, the General Belgrano Military School, the staff of the 9th Infantry Brigade, and in October 1982 he was appointed director of the National Military College. Gen Sanchez graduated as a staff officer in 1969. He was awarded the Order of the Grade of Heroes of the Crown by the mayor of Cochabamba, Bolivia, and he also received the golden Book and Sword from the commander in chief of the Army of San Luis [name of award as received], the Peruvian Order of Merit for Distinguished Services in the Grade of Grand Officer, and other decorations from the Paraguayan and Venezuelan Governments.

GOVERNMENT ORDERS MILITARY PERSONNEL TO TESTIFY

PY111215 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2150 GMT 10 Jul 84

[Excerpt] The government today ordered all active and retired military personnel to comply with the summonses issued by the national Commission on the Disappearance of Persons (CODEP) and also authorized them to make statements before the courts on "acts performed in the line of duty" which are related to the struggle against subversion, thus obviating the need to request in each case "the permission provided for under the military rules and regulations."

The preamble of the resolution stresses that "in order to do justice and to consolidate the domestic peace it is necessary to achieve greater expediency in the proceedings of the cases filed in connection with the struggle against terrorism. This also applies to the investigations which, for the same reasons, the CODEP is conducting."

"To assist in this regard," the resolution adds, "it is indispensable to establish a system of standard authorizations which allow Armed Forces military personnel to meet the legal summonses on acts or activities related to the services rendered during the above-mentioned antisubversive struggle, obviating the need to request in each case the permission required by the appropriate military rules and regulations." It also states that the measures taken today are the results of the investigations ordered by the executive and legislative branches on "the crimes committed during the above-mentioned actions, actions which, as a whole, were unduly sought to be classified as acts of war."

The pertinent decree, which bears No 2107, is signed by President Raul Alfonsin and Defense Minister Raul Borras. This decree also establishes that when the matters in question may affect "military secrets" according to the laws in effect, it will be the Defense Ministry which will determine whether it is or is not appropriate to comply with the summonses issued by the courts of the CODEP.

DEPUTY DENIES CLAIMING ARMY-FIRMENICH LINK

PY120114 Buenos Aires BUENOS AIRES HERALD in English 10 Jul 84 p 11

[Text] (DYN) -- Deputy Luis Sobrino Aranda (Justicialist-Santa Fe) yesterday denied having made statements to the effect that there was a link between the recent Army crisis which resulted in a shakeup of the top echelons and the upcoming extradition of former Montoneros terrorist leader Mario Firmenich from Brazil.

The alleged statements were contained in a press release titled "Firmenich and (Former Navy Commander Emilio) Massera Are Not Uninvolved in the Army Crisis," signed by a Luis Castro, allegedly a press spokesman for several legislators and bearing the Chamber of Deputies seal. It was distributed Sunday in several newsrooms as well as in the Congress press room.

Sobrino Aranda flatly denied having made radio statements to that effect, as claimed in the release, explained that his press spokesman's name is Ramon Castro, and contended that he is "a friend of the Armed Forces, a friend of most admirals and generals who have been in active duty recently," and a "personal friend" of many other military officers, including retired Generals Juan Carlos Trimarco and Fernando Verplaetsen. The press release quoted the deputy as having stated that Massera, Trimarco, Verplaetsen, and fellow former Buenos Aires Police Chief Ramon Camps all had something to say about the deaths of diplomat Elena Holmberg, advertising executive Marcelo Dupont, and left-wing Peronist leaders Osvaldo Cambiaso, Eduardo Pereira Rossi, and Raul Yaguer.

PRC DELEGATION VISITS, RECEIVED BY JUSTICIALISTS

PY110259 Buenos Aires TELAM in Spanish 2359 GMT 10 Jul 84

[Text] Buenos Aires, 10 Jul (TELAM) -- The national council of the Justicialist Party [PJ] today received for half an hour a CPC delegation that is visiting the country. The PJ national council was headed by Santiago del Estero Governor Carlos Juarez, because Saul Ubaldini is on a leave of absence.

Juarez talked with Zhu Liang, deputy director of the International Liaison Department of the CPC Central Committee, who also has the rank of vice minister. Juarez was ccompanied by Julio Romero from the Corrientes PJ branch and by Political Security Carlos Spadone. Also in attendance was Song Wen, deputy director of the international bureau. [name and title as received].

At 1830 the PJ national board was going to receive a Yugoslav political delegation at the board's main offices at 353 Uriburu Street. For this reason, it is believed that the joint meeting that the PJ national and federal councils will hold today will be just protocol.

Tours Jujuy Province

PY112232 Buenos Aires Domestic Service in Spanish 2000 GMT 11 Jul 84

[Text] A PRC trade delegation is now in Jujuy Province. It is studying the possibility of establishing a commercial exchange with the region. The PRC delegation has met with Jujuy governor, engineer Carlos Snopek. They discussed joint ventures, including a PRC offer to establish industrial plants for manufacturing cigarettes and processing vegetables, fruit, and newsprint. In turn, Snopek talked with our visitors about an outlet to the ports lying on the Pacific Ocean through the [name indistinct] pass in Jujuy Province. Such an outlet would allow for a substantial increase in the foreign trade to and from the northern provinces and other countries in the area.

Today the PRC delegation is visiting production centers in Jujuy Province and talking with industrialists and farmers.

CLANDESTINE COMMUNICATIONS STATION DISCOVERED

PY102224 Buenos Aires LA NACION in Spanish 6 Jul 84 p 16

[Text] The National Telecommunications Enterprise [ENTEL] has disclosed the discovery of a clandestine satellite communications station located at 2091 Humberto I Street in this capital. The discovery has already been reported to the Communications Secretariat.

ENTEL said that according to the National Telecommunications Law, only ENTEL can install and exploit earth stations to receive satellite communications signals. Therefore, the station must be closed and its equipment confiscated. ENTEL also said that the people who broke the law placed our country in a difficult position because the Argentine Government violated the agreement ENTEL signed with Intelsat, and that therefore severe sanctions must be applied.

It was reported that the activities of the clandestine station were uncovered when it was learned that the European Soccer Cup was transmitted over closed-circuit television. It was also reported that no Argentine or Uruguayan televison stations requested the transmission, which indicated the operation of a telecommunications station in violation of current regulations.

CABINET, MILITARY CHANGES SET FOR AUGUST

WA130895 Rome IPS in English 10 Jul 84

[Text] La Paz, July 10 (IPS) -- The Bolivian Government will announce important changes in the cabinet and the Military High Command in August, Defense Minister Col Manuel Cardenas said here today.

The minister, in an interview with IPS, described the changes as "normal," coming as they will on Aug. 6, the country's day of independence, when such changes are usually announced. He would not say which ministers or military commanders would be affected. But Cardenas admitted that "political facts," a reference to the recent coup attempt, had made the changes necessary. Sixty armed police and soldiers kidnaped President Hernan Siles Zuazo June 30 and held him for 10 hours, in an apparent coup attempt. Further, several ministers are reportedly upset with the administration's agreement with the powerful Bolivian Labor Federation (COB) which calls for a 130 percent wage increase and suspension of debt payments to foreign private banks.

Defense Minister Cardenas, in fact, is reportedly one of the ministers on the way out, along with Interior Minister Federico Alvarez Plata. Both the COB and several left-wing parties have called for the dismissal of the two ministers -- the defense minister for his inability to foil the kidnaping of the president, and the interior minister for his poor relations with the labor movement.

FINANCE MINISTER FEARS REPRISALS BY BANKS

PY122347 Madrid EFE in Spanish 0918 GMT 12 Jul 84

[By Adalid Cabrera Lemuz]

[Excerpts] La Paz, 12 Jul (EFE) -- Finance Minister Oscar Bonifaz has said that Bolivia is afraid that the international private banks may take reprisals against Bolivia for having decided to temporarily postpone the payment of its foreign debt until an adequate economic recovery is achieved. Bonifaz pointed out that the government decision to postpone the payments can give way to embargoes, holdings, and interruption of credits by the 128 international banks, headed by Bank of America, which are Bolivia's creditor banks.

The minister said he is convinced that because of the country's economic and financial situation, Bolivia cannot fulfill its economic commitments to the international private banks. However, he showed a predisposition to a renegotiation with the creditors. According to the finance minister, one of the principal economic authorities in this country, it is important to renegotiate with the creditors, "because they must understand the difficult national economic situation that is making it impossible for the country to fulfill its financial obligations."

He said that the final decision must abide by international laws, which establish, in one way or another, regulations for the fulfillment of economic commitments. Bonifaz said that the important thing is to obtain an extension of the payment terms from the creditors. He emphasized the Bolivian Government position that "Bolivia does not disregard its debt, it is just not in the economic position to pay it at this time."

He added that the unilateral decision adopted by the government can create problems in getting enough loans from international banks now that Bolivia needs large economic resources to confront the crisis.

He labeled the declaration released at the conclusion of the Latin American economic meeting in Cartagena de Indias (Colombia) last June as "rhetoric," because it did not adopt joint measures to face the creditors. He gave as an example the bankers' immediate decision to increase unilaterally the interest rates on the debt.

SARAVIA STATEMENT ATTACKS GOVERNMENT, MILITARY

PY122154 Madrid EFE in Spanish 1818 GMT 12 Jul 84

[Text] La Paz, 12 Jul (EFE) -- Former Army Colonel Rolando Saravia, who the government has accused of heading the abortive coup of 30 June, today denounced "the communist infiltration of the executive branch and the Armed Forces of Bolivia."

In a recorded document read by Saravia himself from his hiding place and broadcast by local radio stations, he stressed that "the time has come to denounce the reptilian generals who have agreed to bring about the physical disintegration of the nation for the benefit of international communism." The former military officer, who was charged with ignominy and discharged from the Army by the Military High Command following the events at the end of June, added that Generals Simon Sejas Tordoya and Mario Vargas Salinas and President Hernan Siles Zuazo are the "gravediggers of the fatherland."

Saravia pointed out that the communist infiltration of the executive branch and of certain military sectors "is designed to establish a beachhead in Bolivia in order to take over South America." He said that he was not involved in President Siles Zuazo's kidnapping, which he described as "a self-kidnapping to provoke the Armed Forces."

The former officer said that "he [Siles Zuazo] is searching for me to eliminate me so that no will know that a colonel with such a high rank would never have approved of such a gross mistake as kidnapping someone who, as has been proven, is incapable even of refusing to obey the orders of a group of soldiers." He admitted that he has carried out a campaign "to make my comrades-in-arms aware of the dangers that are looming over the fatherland, and I will continue to carry out this campaign." Saravia pointed out that "our struggle has just begun, and I am not alone on the road that will lead to the liberation of the country."

He said that "the time to put an end to international communism in Bolivia is very close" and that "we will snatch away from the government of the Democratic and Popular Unity of Siles Zuazo the flag of the hammer and the sickle to raise our Bolivian flag."

The document includes nine concrete accusations against the government of Hernan Siles Zuazo and the Military High Command, emphasizing the "communist infiltration of the military command with assignments in the Armed Forces under the direction of the Soviet military high command." It adds that the "communists are taking control of important military units, and it has been publicly proven that there are terrorist mercenaries from Cuba, Nicaragua, and other countries protected and financed by the government of Siles Zuazo."

Other charges are related to the alleged arms trafficking that was carried out in complicity with the government to form armed civilian groups with the objective of establishing a communist beachhead in Bolivia that would then spread throughout the continent. The former military officer, who is presently at large, stated that Bolivia's decision to postpone the payment of its foreign debt to the international private banking sector is part of "an international communist plan to create chaos and anarchy, not only in Bolivia but through Latin America."

He charged that the Maoist guerrillas in Peru, the "Shining Path," are being supplied with arms through the alleged arms trafficking that is being carried out in Bolivia. He added that Bolivia is also confronting the problem of an increase in cocaine trafficking, and charged that the Siles regime "is officially promoting it to acquire more arms which will be used to destroy the Bolivian Armed Forces."

The Bolivian Government has charged that Saravia headed the thwarted military coup of 30 June that started with the kidnapping of President Hernan Siles Zuazo and that it was financed by drug trafficking gangs.

Gustavo Sanchez, the Interior Ministry under secretary, has stated that Saravia received approximately $200,000 from cocaine trafficking gangs interested in ousting the democratic regime.

Military Analyzes Letter

PY122204 La Paz Cadena Panamericana in Spanish 1700 GMT 12 Jul 84

[Excerpt] A letter written by Colonel Rolando Saravia and published in a La Paz daily has caused citizen unrest. The government has charged Saravia with having been the mastermind of the thwarted coup that started with the abduction of President Hernan Siles Zuazo. As soon as the letter's publication was learned of, the Military High Command held an emergency meeting in Miraflores. However, the media still have not been able to find out what they discussed.

So far, citizens have not had time to analyze the contents of Saravia's letter, but it undoubtedly expects a clear explanation on how much political influence the Democratic and Popular Unity member parties have on the Armed Forces. The letter has prompted urgent meetings by the government and the Armed Forces to discuss its contents. It is hoped that the government will give a clear and concrete explanation on this issue in the next few hours.

HOY Refutes Saravia Charges

PY130207 La Paz Radio Illimani Network in Spanish 1700 GMT 12 Jul 84

[Text] This morning the La Paz newspaper HOY carried a message from former Colonel Rolando Saravia under the headline, "Our Nationalistic Truth in Front of the Communist Conspiracy." The importance of the author, who led the abortive coup attempt on 30 June, rather than the intrinsic value of what he says, justifies a brief analysis of the message.

Written in a language that is inappropriate under the current circumstances, the message uses slanderous words to refer to members of the constitutional government and commanders of the Armed Forces. Perhaps out of annoyance over his recent defeat, he seems to be driven by his desire to be offensive. But he does not resort to insult alone.

His message is also marked by intrigue and deception. In addition, he does not hesitate to distort history to support his assertions.

Let us refute each of his affirmations. The most important part of his message is undoubtedly the repeated affirmation that Saravia masterminded the coup attempt. [sentence as heard]. This has only confirmed the government report on a conspiracy. It has also categorically denied the charges leveled by those who tried to convince the public that the government itself planned the coup.

Despite the fact that he admitted he led the coup attempt, Saravia denied that President Hernan Siles Zuazo was abducted. In addition to his cynical and cowardly attitude, he is also afraid of being identified by the public as the man who masterminded an action that had nothing to do with politics, because it was a typically gangster-like action.

The former colonel based his rebellious action on the alleged fact that the constitutional government has reportedly fallen within the communist orbit. As a result of his profuse imagination and his baseless wrath, Saravia refuses to understand that the current government, which has the destiny of the nation in its hands, does not have a Marxist ideology, let alone that it is participating in the international communist movement. It is difficult for minds such as former Col Saravia's to understand that Bolivia is currently immersed in a political process that is democratic due to its form and liberating due to its substance.

It is difficult for mentalities such as former Col Saravia's to analyze the UDP's [Popular Democratic Union] plan of action which is being implemented by the executive branch. And it is also difficult for stubborn people to realize that although the Bolivian Communist Party [PCB] forms part of the ruling coalition, its presence is in keeping with the guidelines of a nationalist program which does not at all imply the advent of a socialist regime.

After describing the Bolivian Government as a communist regime, a description that is totally absurd, Saravia Ortuno accused the Armed Forces High Command of being accomplices of the objectives of red imperialism. This is not only derisive but absurd. For example, he talked about the (?C-10 group) of the Military High Command which, according to his odd assertion, reportedly constitutes the Revolutionary Armed Forces.

All Bolivians are perfectly well aware of the fact that the Bolivian Armed Forces completely respect the Constitution and the law. Therefore, it is difficult to think that they could have created clandestine organizations operating outside their legal and institutional order.

The message also says that the budget of the Armed Forces is being deliberately reduced in order to diminish their operational capacity. Everyone is aware that the economic crisis that the country is confronting has equally affected all state organs. Therefore, the reduction in the military budget is only a consequence of this crisis. Saravia also referred to what he called the publicly proven presence in Bolivia of terrorist mercenaries from Cuba, Nicaragua, and other countries. If this is true, he should produce evidence. However, it is impossible for the enemies of democracy to do this because this presence is only a fabrication of their feverish minds.

The most significant part of the message is that it shows that there is still a conspiracy and that the people must be totally aware of this truth. The cynicism of coupists must be counteracted most firmly by all the people in revolutionary resistance. In this way, we will save the nation from hours of mourning and grief, and we will prevent the recurrence of the sinister and disgraceful events that occurred in our recent past.

Rueda, Alvarez on Statement

PY122200 Madrid EFE in Spanish 1942 GMT 12 Jul 84

[By Adalid Cabrera Lemuz]

[Text] La Paz, 12 Jul (EFE) -- The Bolivian Government today warned that the threat to democracy still prevails in the country. This is how the government responded to the subversive proclamation released by Colonel Rolando Saravia, retired, who is accused of being the leader of the abortive 30 June coup.

Saravia today released a document accusing the government of President Siles Zuazo of being "infiltrated by communists who are trying to create a center from which to spread to South America."

Bolivian Information Minister Mario Rueda Pena said that the declaration released by Saravia, who was given a dishonorable discharge from the Army in late June, confirms that he headed the coup attempt against democracy. The minister added that Saravia is an "officer without political or ideological education and this is why he does not know what he is saying when he accuses the Military High Command of Being Sovietized."

Rueda Pena defended the current military command by saying that it respects the law and the Constitution. He said that Saravia's accusations trying to associate the Military High Command and the government with "guerrillas and international communism" are false. Continuing, he said that "these are arguments raised by the evil forces which are linked to fascism and to the drug trafficking, forces that are seeking to establish the conditions suited for destabilizing the democratic process."

Rueda added that those arguments are proper for the "primitive anticommunism" of the enemies of democracy. He stated that the government will punish Saravia for the crime of sedition and kidnapping of President Hernan Siles Zuazo.

On the other hand, Defense Minister Manuel Cardenas Mallo downplayed the significance of Saravia's statement, which was published in some local newspapers and broadcast in his own voice by some local radios stations. Cardenas said that "Saravia will not be supported by the military."

Interior Minister Federaico Alvarez Plata said that he is convinced that Saravia was the leader of the thwarted coup d'etat which started with the almost 10-hours kidnapping of Siles Zuazo in La Paz on 30 June.

The Bolivian Labor Federation (COB) dubbed Saravia's stance as clearly "subversive," and urged the executive branch to do its utmost to dismantle the coupist structures that still exist in Bolivia. Armando Morales a COB leader warned the subversive movements that the labor unions "will not permit new actions against democracy." He added that "should these actions take place, then they will be met on the streets by a fighting nation."

In his statement, Saravia stated that "I am not alone and the struggle against communism in Bolivia has just started," adding that "the time for quenching communism is very close." Saravia also stated that he is convinced that protected by the government there are in Bolivia "Cuban, Nicaraguan, and other terrorist mercenaries" who are to form irregular armed groups to destroy the Armed Forces.

Saravia said that the government and the Military High Command are involved in arms trafficking to create in Bolivia "a comminist beachhead which is to spread throughout the continent." Saravia is at large from the military and civilian courts following the failure of the coup attempt to overthrow President Siles Zuazo which, according to the government, was financed by cocaine traffickers.

Saravia also charged the government with protecting the drug trafficking business to raise funds which in the end were designed to spread communism throughout Latin America.

Interior Minister's Views

PY130140 La Paz Cadena Panamericana in Spanish 0000 GMT 13 Jul 84

[Excerpt] Interior Minister Federico Alvarez Plata has stated that the political document released by Colonel Saravia, one of the main leaders of the abortive coup, is a confession of the subversive activities which have been reported by the government. He pointed out that these subversive activities were reported by the government on previous occasions. The minister added that the kidnapping of the president is a real fact and not a show as reported by Saravia. The interior minister made these remarks to journalists at Government Palace.

Cardenas, COB Leader React

PY130320 Paris AFP in Spanish 0052 GMT 13 Jul 84

[Excerpt] La Paz, 12 Jul (AFP) -- The government of President Hernan Siles Zuazo today stated that former Colonel Rolando Saravia has resorted to the trite use of "anticommunism" to justify the thwarted coup d'etat of 30 June which ended with the release of the president, who was kidnapped by a civilian-military commando. The government noted that the kidnapping was admitted by the officers who participated in it and who have sought asylum at the Venezuelan Embassy.

Defense Minister Manuel Cardenas said that a coup will not be supported by the Armed Forces, because they are aware of their protagonistic role in the democratic process and that Saravia is not being sought by the Army intelligence since this is a matter for the Interior Ministry.

The influential Bolivian Labor Federation (COB) noted that Saravaria's statement is obviously false and confusing and that in keeping with the style of coupist military officers, he again has resorted to the trite pretext of a looming communist threat. Aldo Flores, a COB leader who is a Communist Party member, said that Colonel Saravia is showing his ignorance regarding political matters by comparing the Bolivian Armed Forces with those of the Soviet Union.

SENATOR DENOUNCES TORTURE OF POLITICAL PRISONERS

PY121340 La Paz Cadena Panamericana in Spanish 1130 GMT 12 Jul 84

[Excerpt] The government of the Democratic and Popular Unity, that is presided over by President Hernan Siles Zuazo, uses the same repressive methods that the military dictatorships used against political prisoners.

This statement was made by National Senator Luis Pelaez Rioja, president of the Human Rights Commission, during yesterday's session. He then reported that the political prisoners arrested in connection with the recent events in Bolivia are subjected to duress according to what he saw during a visit to the prison grounds last Tuesday. Pelaez held Juan Mendoza, (?head) of the Intelligence Service, responsible for the torturing of political prisoners.

COB SIXTH CONGRESS POSTPONED UNTIL AUGUST

PY110206 La Paz Cadena Panamericana in Spanish 0000 GMT 11 Jul 84

[Excerpt] The Sixth National Congress of the Bolivian Labor Federation [COB] has been postponed again. During a meeting held today, the COB decided to postpone the congress until 27 August. The sixth COB congress will be held in Cochabamba. The postponement was approved by the absolute majority of the COB leaders attending the meeting. The COB meeting was presided over Juan Lechin Oquendo.

AIRCRAFT CARRYING MONEY CRASHES AT AIRPORT

PY122252 Paris AFP in Spanish 1459 GMT 12 Jul 84

[Text] La Paz, 12 Jul (AFP) -- It was reported here today that a small airplane loaded with millions of Bolivian pesos crashed at the military airport of Santa Cruz (1,000 km east of La Paz), destroying two airplanes of the Bolivian Air Force (FAB). The accident was reportedly caused because the airplane was overloaded. The plane caught on fire when it crashed. Pilot Alberto Colombo was saved, but not the money, which burned in a spectacular fire.

It was reported that the airplane was on its way to a distant town in the eastern part of the country, and it is thus assumed that the flight could have been connected to smugglers or drug traffickers.

EL DIARIO DENOUNCES ARREST OF JOURNALIST

PY111426 La Paz EL DIARIO in Spanish 3 Jul 84 p 4

[Text] During an operation carried out yesterday morning between the Obrajes and San Jorge areas, agents of the Interior Ministry intercepted EL DIARIO Commercial Manager Enrique Crespo's vehicle and ordered him to follow them to the Interior Ministry. The Ministry agents stated that they were following orders from above. Later on EL DIARIO Manager Jorge Carrasco held a telephone conversation with Interior Minister Alvarez Plata to learn the reasons of the arrest. He was told that Crespo had been arrested as a consequence of some charges made against him at that ministry. Nevertheless, Carrasco was told that Crespo's relatives could visit him without any problems while he was being held.

However, when his wife appeared at the Interior Ministry she was told "that the detainee was being held incommunicado and therefore could not receive any visitors." This event becomes even more serious when a citizen is denied his rights within a "state of law and a democracy."

FIGUEIREDO GUARANTEES FREEDOM OF EXPRESSION

PY111425 Brasilia Domestic Service in Portuguese 2200 GMT 10 Jul 84

[President Joao Figueiredo statement on the 50th anniversary of the Brazilian news agency, EBN -- recorded]

[Excerpts] Fellow Brazilians: On this date 50 years ago, the federal government established the Cultural and Propaganda Department with the objective of informing the entire nation about official government ceremonies and decisions. As a public organization, the EBN is strictly objective in its activity of informing the nation; and without discrimination, distinction, or privileges, it serves all press organizations: Through its connections with Brazilian radio stations it unites the nation with the broadcasts of the Voice of Brazil.

The objective and factual work carried out by the EBN is an example of democracy (?within) the official communications media. Therefore, this work is part of the government's democratic opening process. Today, there is in our country complete freedom of expression, something which I guarantee. Since all Brazilians are guaranteed the complete exercise of their right to express their opinion, the government also has the right to have its own means to inform the people about its initiatives and objectives.

In so doing the government is assuring that all citizens and mass media organizations have an equal opportunity of access to official information. Therefore, the organization, effectiveness, and strengthening of the EBN is an objective which serves the interests of the people and of democracy.

UK MINISTER YOUNG DISCUSSES DEBT, FALKLANDS

PY130344 Madrid EFE in Spanish 0434 GMT 12 Jul 84

[Text] Brasilia, 11 Jul (EFE) -- British Minister of State in the Foreign Office Baroness Young today arrived in Brasilia on a visit that marks the resumption of the first high-level diplomatic contacts between the two countries since the Malvinas war.

During her first day in Brasilia, Young, the second in command at the Foreign Office, met with Economy [as received] Minister Antonio Delfim Netto, with whom she discussed the issue of the Brazilian foreign debt, which totals $100 billion.

Great Britain maintains the toughest stand toward the most heavily indebted countries among all the most industrialized countries in the West, based on the statements Prime Minister Margaret Thatcher made during the recent summit that the seven rich countries held in London. Tomorrow, Young will meet with Brazilian Foreign Minister Ramiro Saraiva Guerreiro and Deputy Foreign Minister Carlos Calero Rodrigues. According to diplomatic sources, besides reviewing the international situation, Young and Guerreiro are to talk about the Malvinas Islands issue.

Brazil, which represents Argentine interests in London, supports Argentine sovereignty over the Malvinas Islands and has recommended to the two governments that they quickly initiate negotiations to settle the dispute peacefully, as the United Nations has recommended.

MINISTER SAYS SATELLITE LAUNCH PLANS PROGRESSING

PY120152 Brasilia Domestic Service in Portuguese 2200 GMT 11 Jul 84

[Excerpt] Communications Minister Haroldo de Mattos today said that the program to launch Brazilian-made satellites is in its final stages. The communications minister reported that the operations center, which is located in Guaratiba, Rio de Janeiro, is already carrying out the proper tests and that the first satellite is scheduled to be launched by February 1985.

ENERGY MINISTER FORECASTS OIL SELF-SUFFICIENCY

PY112335 Brasilia Domestic Service in Spanish 2200 GMT 11 Jul 84

[Excerpt] Energy Minister Cesar Cals today said in Teresinha that Brazil may stop importing oil by 1993. The minister made this statement at the opening session of a seminar entitled Meetings With the Mines and Energy Ministry. He also announced that by 1985 Brazil will produce 600,000 barrels of oil per day. According to Cesar Cals, Brazil may be self-sufficient in oil only if the present government oil policy is followed, if energy resources are conserved, and if a national energy conservation program is established. The energy minister added that by the beginning of the 90's Brazil will produce 1 million of barrels of oil per day.

PETROBRAS MAINTAINS OIL IMPORTS FROM IRAQ

PY110351 Rio de Janeiro O GLOBO in Portuguese 10 Jul 84 p 18

[Text] Petrobras President Shigeaki Ueki is returning today from Ira , where he negotiated an agreement to maintain the supply to Brazil of 160,000 barrels daily, worth $1.8 billion yearly. Ueki is to announce the increase of Brazilian exports to Iraq from $400 million last year to $600 million in 1984 to offset the imported oil.

Petrobras is adopting an aggressive oil purchases policy. Sources at Petrobras' commercial directorate have revealed that, with the objective of buying cheaper, the enterprise has slashed those suppliers which are not importing manufactured Brazilian goods, as was recently the case with the United Arab Emirates and, previously, with Libya.

Another large supplier is Saudi Arabia which, although it buys almost nothing from Brazil, grants favorable terms. A few days ago, Petrobras decided to increase oil purchase from Mexico and the Soviet Union because of the trade compensation granted by those countries. After reaching a daily production of 500,000 barrels, Brazil is daily buying 420,000 barrels abroad.

PROPOSED VISIT BY NICARAGUA'S RAMIREZ REJECTED

PY122220 Madrid EFE in Spanish 0444 GMT 12 Jul 84

[Text] Brasilia, 11 Jul (EFE) -- Brazil today rejected a proposal for a visit by Sandinist leader Sergio Ramirez, one of the members of the Nicaraguan Junta of the Provisional Government of National Reconstruction.

O ESTADO DE SAO PAULO and JORNAL DE BRASILIA today reported that the Brazilian Foreign Ministry rejected the proposal from Managua to receive Ramirez with the argument that the situation in Central America is "conflictive and confusing."

The other argument the Brazilian Government used is that the Brazilian situation is "extremely complex" owing to the profound political and economic crisis affecting the country.

Ramirez's trip to Brazil was discussed by Nicaraguan Deputy Foreign Minister Jose Leon Talavera, who just concluded a 2-day visit to this capital. The newspapers said that the Sandinist government's proposal for a Ramirez visit was part of a strategy for a rapprochement with Brazil.

JORNAL DE BRASILIA said that Ramirez' visit was aimed at annoying the United States considering that the Brazilian Government owes the United States [words indistinct] must act with caution because the national foreign debt is $100 billion.

O ESTADO DE SAO PAULO said that the most the Brazilian Government admitted was the visit of a member of the Nicaraguan electoral court to explain the elections next November.

During his stay in Brazil Leon Talavera delivered a letter from Daniel Ortega, coordinator of the Sandinist junta, to Brazilian President General Joao Figueiredo.

Ortega explained to Figueiredo the situation in his country and the current electoral process. He thanked Figueiredo for Brazil's support of the efforts of the Contadora Group to pacify Central America.

Leon Talavera, whose visit to Brazil was labeled as "informative," assured Brazilian officials that his country "is not and will not be a Soviet satellite." He said that Nicaragua is "a nonaligned nation in search of opportunities with all countries of the international community."

FIRMENICH CONCERNED OVER SAFETY IF EXTRADICTED

PY120144 Porto Alegro Radio Guaiba in Portuguese 2150 GMT 11 Jul 84

[Text] Brazilia -- Montonero leader Mario Firmenich, who is under arrest at the federal police building awaiting extradition, today expressed concern over his personal safety upon his return to Argentina because he fears he will be the target of an attack. Firmenich, who met today with a delegation made up of 25 Latin American legislators struggling for the release of political prisoners, reasserted that he does not want to be extradicted despite the Brazilian Government's decision.

PDS LEADER URGES GOVERNMENT OF RECONCILIATION

PY120155 Port Alegre Radio Guaiba in Portguese 2150 GMT 11 Jul 84

[Excerpts] Porto Alegro -- Social Democratic Party [PDS] leader in the Chamber of Deputies, Nelson Marchezan, has stated that a personal victory that will result in the schism of the PDS and its defeat in the Electoral College will be a Pyrrhic victory. However, Marchezan said that he believes that the political aspirations of Minister Mario Andreazza and Deputy Maluf are legitimate.

Marchezan rejected any possibility that the military will intervene in the presidential succession process, and he added that if Tancredo Neves wins, this will not imply a step backward because Governor Tancredo Neves is a staunch democrat.

Brazilian Democratic Movement Party [PMDB] Deputy (Jose Fogasa) today said that Marchezan's proposal to form a government to achieve national reconciliation is the last desperate effort made by the government to stay in power in view of the obvious conflicts it is confronting. The PMDB deputy said that the regime is agonizing and that it is trying to survive this proposal.

CHAVES MAY BACK NEVES' PRESIDENTIAL CANDIDACY

PY120244 Rio de Janeiro LATIN AMERICA DAILY POST in English 11 Jul 84 p 1

[Text] Rio de Janerio (DAILY POST) -- Vice President Aureliano Chaves told former President Ernesto Geisel at a meeting here Tuesday that the Liberal Front will support the candidacy of PMDB opposition party Governor Tancredo Neves of Minas Gerais if no agreement within the government party is reached by August.

Chaves said the Liberal Front, which is formed by PDS regarding the presidential succession issue would be for federal Deputy Paulo Maluf and Interior Minister Mario Andreazza to renounce their candidacies in favor of a consensus candidate.

The vice president said he still has "slight hopes" the PDS may reach an agreement on a new candidate to the presidency but stressed that this would only be possible if Maluf and Andreazza renounced their candidacies.

According to the Liberal Front, led by Chaves and Senator Marco Maciel (who withdrew their own candidacies last week), if no agreement is reached within the PDS by Aug. 15, it will join forces with the opposition parties and support a single opposition candidate in the Electoral College, namely Neves. Neves must give up his post as state governor by Aug. 15 in order to be able to run for president.

First Meeting

The Liberal Front is scheduled to hold its first official meeting with PMDB leaders today at Chaves' former campaign office in Brasilia, now the group's headquarters. Maciel and Sen Jose Sarney, former PDS president and another leader of the Liberal Front, will discuss with the opposition party the latest developments in the presidential succession issue and the possibility of backing Neves as a consensus candidate. Chaves will not be able to participate in the meeting due to commitments in Minas Gerais.

Liberal Front leaders acknowledge it is highly improbable that Maluf and Andreazza will withdraw their candidacies. The interior minister told the press after addressing the Superior War College in Rio Monday that he would only renounce his candidacy if Maluf did the same. Maluf has repeatedly stated, and reaffirmed again categorically on Monday, that he will not withdraw his candidacy.

According to political sources, Geisel is still in favor of Chaves as a presidential candidate (the former president announced his full backing of the vice president when he launched his candidacy last year) and he believes there is still a slight possibility Figueiredo might support Chaves as a single PDS candidate.

Military Candidacy [Subhead]

Meanwhile, political circles in Brasilia were still commenting Tuesday on the meeting between President Figueiredo and Geisel last Friday and rumors that a military candidacy may be launched in the near future.

It was reportedly the fact that Chaves and Maciel renounced their candidacies, basically leaving the option of either Maluf or Neves, which led to the Figueiredo-Geisel meeting, during which they discussed the possibility of a third PDS candidacy being launched.

Both presidential spokesman Carlos Atila and civil cabinet chief Leitao de Abreu denied reports such a candidacy might be a military one, insisting that the succession issue "is in the hands of civilians."

Leitao admitted the possibility of a third PDS candidacy emerging, but he stressed this candidacy would be the result of an "agreement" between Maluf and Andreazza to renounce their candidacies and not the result of any decision made by military authorities. "We are living within a democratic system, and within a democratic system there cannot be an imposed candidate," he said.

Leitao also rejected statements made by Neves that the turbulent presidential succession process may lead to a political regression. Neves said on Monday that the meeting between Figueiredo and his predecessor marked "a resumption of the military process, or rather, the revolutionary process" and that "during such a disturbing, turbulent and precarious period as the one we are going through, when anything can happen, we should all be prepared for the worst.

FIRE AT BRASILIA BHR ASSOCIATION INVESTIGATED

PY040145 Brasilia Domestic Service in Portuguese 2200 GMT 3 Jul 84

[Text] The Planalto Military Command, the CMP, will conduct a probe into a fire that occurred on 29 June at the headquarters of the OAB DF, the Brasilia branch of the Brazilian Bar Association.

According to the CMP, the probe will clarify the statements by OAB/DF president Mauricio Correa, who ventured that the fire may have been started to destroy important documents of trials that are underway, including cases against the CMP. Correa said that the fire may have been an act of sabotage.

Infantry Colonel (Alvaro Braganza Peres) will conduct the probe.

DEL VALLE OPTIMISTIC OVER BEAGLE MEDIATION

PY122245 Santiago Radio Cooperativa in Spanish 1715 GMT 12 Jul 84

[Text] Important partial achievements have been attained in the Beagle mediation process over recent weeks, Foreign Minister Jaime del Valle has said. Del Valle thus concurred with a statement by Argentine President Raul Alfonsin, who said that an outcome is imminent. Foreign Minister Del Valle was questioned by Radio Cooperativa concerning Alfonsin's statement:

[Begin recording] [Unidentified reporter] The Argentine president has said that a positive outcome is imminent. What are your comments on this statement?

[Del Valle] I agree with Alfonsin's statement. Indeed, significant progress has been achieved in the mediation. I do not know, I could not set any deadlines, but it is obvious that we are closer than ever to reaching an outcome.

[Question indistinct]

[Del Valle] Yes, that is right, there have been some important talks. This is probably what led President Alfonsin to state that we are nearing the end. [end recording]

The partial agreements will be finally settled by the mediator, Del Valle said. He then said that no dates have been set for the final treaty.

[Begin recording] [Del Valle] That is a good hint that an effort is being made to achieve a solution as soon as possible.

[Question indistinct]

[Del Valle] I would prefer not to set dates because I think that this is subject to change. A problem that would delay things a little more could always crop up; it is better to be optimistic and to conclude that the issue is progressing positively and that [words indistinct] expecting to reach an outcome as soon as possible.

[Reporter] The final (?stage) is to sign the treaty?

[Del Valle] Correct. [end recording]

Likewise, the Argentine newspapers in Buenos Aires have reflected the good spirit prevailing in the delegations of the two countries. Del Valle said that it is true that at this time a good and positive spirit is noticeable in Rome, Santiago, and Buenos Aires.

[Begin recording] [Del Valle] This is why I have always told you that it is [word indistinct] and that we are closer than ever.

[Question indistinct]

[Del Valle] No, they will be very clear and very positive anyway. If there is an agreement, then it will be on points where previously there was no agreement. [passage indistinct]

[Question indistinct]

[Del Valle] I cannot set any dates for you, but they were achieved in the past few weeks. [end recording]

Other Foreign Ministry sources have stated that progress has indeed been made and that this time there will surely be an outcome.

PARAGUAYAN FOREIGN MINISTER ARRIVES FOR VISIT

PY121625 S ntiago EL MERCURIO in Spanish 11 Jul 84 pp C 1, C 6

[Excerpt] Paraguayan Foreign Minister Carlos Augusto Saldivar has stated that the presence of Marxism in the continent represents a threat and that "all the Latin American people must make an effort to suppress it." These statements were made by the Paraguayan minister upon his arrival in our country for an official 2-day visit. Minister Saldivar was met at the Comodoro Arturo Merino Benitez Airport by Chilean foreign Minister Jaime del Valle, Vice Foreign Minister Lieutenant General Sergio Covarrubias, and Paraguayan Ambassador to Chile Fabio Rivas.

Minister Saldivar said: "I am happy to visit this country, a friend of the Paraguayan people, and I bring very special greetings from President Stroessner to President Pinochet."

When he was asked about the Latin American foreign debt problem, he said that his country has sympathy for those brother countries affected by the problem. Saldivar said that "Paraguay has almost no foreign debt, but this does not mean that it has none at all. However, we support the Latin American countries in this problem, which we follow closely, and make our utmost effort to seek solutions that will satisfy everyone."

In explaining the Paraguayan situation, the visiting minister pointed out that Paraguay has almost no foreign debt problem because foreign loans have been well administered. He said that "the public works have been undertaken with realistic criteria and have been very well administered." He then added that "the loans have been properly channeled and the Paraguayan people have always benefited from them. The two great enterprises, Itaipu that is almost finished, and Yacyreta that is beginning, have been undertaken in a bilateral manner with Brazil and Argentina, respectively. The respective treaties establish a mechanism by which those two countries have acted as guarantors for the loans." He added that "as a consequence, the Paraguayan people have not run any risks in these enterprises, but the treaties clearly state that half of the energy produced by Itaipu and Yacyreta belong to Paraguay."

Regarding the Paraguayan political situation, Saldivar said that his country enjoys peace and development. He said that "we have no domestic problems nor political prisoners. We are neither deficient in democracy nor in the respect for human rights. We can exhibit our democracy and institutions before the world without fear of being criticized."

Regarding President Stroessner's visit to Chile, Saldivar pointed out that the president has received many invitations to come and he will do so as soon as his agenda allows.

Joint Communique Issued

PY120320 Asuncion Red Privada de Teledifusora Paraguaya Television in Spanish 0000 GMT 12 Jul 84

[Text] We have just received the following report from Santiago, Chile:

On the occasion of the visit that Paraguayan Foreign Minister Carlos Augusto Saldivar is paying to Santiago, a joint communique was issued today in which both Paraguay and Chile condemned terrorism and subversion. Saldivar and his Chilean counterpart, Jaime del Valle, stated in the communique that subversive movements are prompted by totalitarian ideologies, which are against the freedom of peoples, the independence of states, and human dignity.

The communique also criticized the protectionist attitude of industrialized nations which hampers exports from developing nations, thus negatively affecting the standards of living of the peoples in these nations.

During the second day of his stay in Chile, Saldivar signed the joint communique, met with President Augusto Pinochet, and held talks with economic officials aimed at evaluating the prospects for increasing trade between the two nations. In 1983 trade between Chile and Paraguay amounted to $4 million.

The Paraguayan foreign minister, who will return to his country today, confirmed that Paraguayan President Alfredo Stroessner will travel to Chile at some future date.

POLITICAL GROUPS REJECT RIGHT OF CIVIL VIOLENCE

PY121856 Santiago EL MERCURIO in Spanish 7 Jul 84 p C 3

[Text] A group of leaders of various political parties yesterday said that despite the situation the country is enduring they were against the "right to rebel," a right which was reiterated by the Communist Party [PCCh] through its leader Maria Maluenda. The leaders who were consulted agreed that they support peaceful means and also rejected the use of violence to repress the peoples' peaceful efforts.

The Peoples Democratic Movement (MDP), for its part yesterday, issued a public declaration announcing that a campaign that will be implemented during the next few days has been unleashed against its leaders. According to the MDP declaration, this campaign will entail massive arrests, banishments, and expulsions.

Yesterday Enrique Silva Cimma, president of the Democratic Alliance [AD], said that his party's ideology and guidelines do not accept violence. "As a consequence, we do not agree with acts of rebellion," he said. In referring to the opposition group's stance in this regard, Silva Cimma said that "I believe that this is also the position of all the member parties of the AD, within their peaceful guidelines."

When he was asked about the information released by the MDP that the Radical Party has two political commissions, two departments for women's affairs, and two youth movements, of which one is in his favor and the other against him, Silva Cimma only said: "No comment."

Juan de Dios Carmona, president of the executive board of the National Democratic Accord (ADENA), said that now that it has been revealed that the Manual Rodriguez Patriotic Front is the Communist Party's armed branch, the characteristics and purposes of this group have been proven. Carmona said that "the Communist Party's objectives are highly antidemocratic. it would be naive to believe that the PCCh will support a call for democracy in the country. This should be analyzed in some other way." He then added that "the objectives, methods, and aspirations of the PCC are highly totalitarian."

Carmona ended by stating that "the PCCh should support a transition democratic regime in order to achieve the objectives it seeks: to implement a dictatorship of the proletariat."

Julio Subercaseaux, leader of the Republican Right [Derecha Republicana] stated that "in principle, we condemn any use of violence but want to warn, as Juan Martinez de Rozas did when he inaugurated the first National Congress in 1811, that many times sedition is preceded by repression; this means that if the government and its organizations increase the arbitrary violence with which they act, they must face the consequences."

Luis Angel Santibanez, leader of the Socialist Democratic Workshops, for his part said that although they are aware that certain attitudes are the results of a state of despair, they do not accept violence. Santibanez said that "at the same time we condemn the use of force in repressing acts of violence, but are aware that in the name of public order authorities have legal tools at hand authorizing them to use force. Abuses concern us and in the human rights field we have acted as true watchdogs." He added that he hopes that both sides, including those groups which show themselves capable of using force and which do in fact use force, "understand that as the democratic process advances they will be able to assume a more correct position than the current one and that after that no one will need to resort to violence, not even the authorities."

NATIONAL DEMOCRATIC ACCORD PRESIDENT ASSUMES POST

PY111805 Madrid EFE in Spanish 1429 GMT 11 Jul 84

[Text] Santiago, 11 Jul (EFE) -- Today Juan de Dios Carmona, former member of the Chilean State Council, assumed the post of president of the political coalition known as the National Democratic Accord, ADENA. The ADENA was formed after the dissolution of the so-called Group of Eight that was formed by a coalition of rightist political parties from which, among others, the National Party -- one of the main rightist parties -- split off.

The ADENA is formed by the National Unity, the Radical Democratic Party, the National Action Movement, the Socialist Democratic Workshops and the Social Christian Movement.

Juan de Dios Carmona, who is also president of the Social Christian Movement, was a member of the Christian Democratic Party until he started cooperating with the military after the 11 September 1973 military coup.

CENTER-RIGHT PARTIES FORMING FEDERATION

PY092224 Santiago Radio Cooperativa in Spanish 1715 GMT 9 Jul 84

[By Manuela Robles for the "El Diario de Cooperativa" program]

[Text] Sources close to political circles this morning confirmed that the contacts among the so-called center-right parties for forging a great political coalition are making good progress.

At this time the talks are being held among the Liberal Movement, the Republican Right, the National Party, and the National Democratic Party. According to the sources, the talks are aimed at forming a centrist political federation seeking a strong consensus in order to achieve the restoration of democracy in Chile.

Meanwhile, Mario Sharpe, president of the Chilean Social Democratic Party, has flatly denied that his party is interested in joining this center-right federation. Sharpe said that his party has decided to remain a member of the Social Democratic Federation which is made up of the Radical Party and the Popular Socialist Union, and to strengthen and stay within the Democratic Alliance. In keeping with all I said before, Sharpe said, it is absolutely inaccurate that the Chilean Social Democratic Party will join a federation of center-right parties.

CHRISTIAN DEMOCRATIC WORKERS FRONT CREATED

PY102147 Santiago Radio Cooperativa in Spanish 1715 GMT 10 Jul 84

[Excerpt] Ernesto Fogel will head the executive board of the Christian Democratic Workers Front. Fogel said that the Front's first priority will be to work in coordination with the National Workers Command [CNT]. The executive board Fogel heads is made up of Eugenio Leon as vice president, Luis Sepulveda as secretary general, and Carlos Santamaria as treasurer.

Discussing the Front's first priorities, Fogel said:

[Begin recording] We believe that if the objective of CNT is to change the political regime in our country, all Christian Democratic union leaders have the moral obligation to work with the CNT. Therefore, we are going to join the work being carried out by the CNT because this command will probably have to study the holding of a new day of protest in the near future or the holding of demonstrations in which the workers, people from the poor neighborhoods, students, and women participate. We, as a workers front, are here to help sterngthen the work of the CNT. [end recording]

Regarding other priorities, Fogel said:

[Begin recording] We want to be able to educate the young Christian Democratic leaders on union matters, an education they need to make judgments in order to better fulfill their tasks. [end recording]

'HUNDREDS' OF STUDENTS CLASH WITH POLICE

PY130119 Paris AFP in Spanish 0020 GMT 13 Jul 84

[Text] Santiago, 12 Jul (AFP) -- Hundreds of Chilean university students today clashed violently with police during a demonstration protesting the expulsion of 21 students who 15 days ago took over the philosophy school of Catholic University. The clashes began when students from various Santiago universities met in the medical school in a demonstration of solidarity with the expelled students who 2 weeks ago protested the expulsion of other students.

At the conclusion of the meeting the students tried to go into the streets carrying placards and banners demanding the immediate reinstatement of the expelled students and the end of the military rectors. Members of the Carabineros stationed nearby used truncheons and tear gas against the students, who defended themselves with rocks and sticks. Witnesses reported that some students were hurt and that the police arrested about a dozen students who were taken to a police station.

RAMIREZ OCAMPO DISCUSSES CONTADORA DOCUMENT

PA130221 Rome IPS in Spanish 0311 GMT 12 Jul 84

[Text] Panama City, 11 Jul (PANAPRESS) -- New Colombian Foreign Minister Augusto Ramirez Ocampo is optimistic that all the Central American governments will soon sign a peace treaty that will be an example to the world.

Ramirez Ocampo, 49, a lawyer and economist who until last Friday was the mayor of Bogota, held his first interview since he became the foreign minister with Panama City Domestic Service which was transmitted today.

"Colombia's advantage is that its foreign policy is based on a national consensus, which President Belisario Betancur decidedly carries out," Ramirez Ocampo indicated. Ramirez Ocampo replaced Rodrigo Lloreda, who resigned to devote his time to local politics.

Referring to Colombia's participation in the Contadora Group, Ramirez Ocampo said that it is a credit to the country's foreign policy. "The Contadora Group has clearly defined itself in the draft resolution which has been distributed in Central America, Ramirez Ocampo said, referring to the peace and cooperation resolution that the Contadora Group delivered to the Central American heads of state in early June.

Ramirez Ocampo added: "We are confident and optimistic that very soon all the effort that has been made to establish the groundwork necessary for an understanding among the Central American countries [words indistinct] a peace treaty that will set an example to the world."

He also said that the Contadora Group is establishing an international public law school and at the same time promoting peace, respect for human rights and strengthening democracy in Central America [words indistinct].

The Contadora Group peace document also has a protocol that can be signed by third countries in the area.

"The basic principle on which the Contadora Group has based its efforts in on the fact that the answer and solution to the conflict depends on the countries involved, and their decisions should be inspired by the great Latin Americanist principles," Ramirez Ocampo said.

He added that the "Contadora Group would like to eliminate the foreign influence factors that can harm or damage peace." The Contadora Group, established in 1983 by Colombia, Mexico, Venezuela and Panama, is conducting a dynamic diplomatic action for a political agreement that can bring peace to the agitated Central American area.

ATTORNEY GENERAL ON TALKS WITH DRUG TRAFFICKERS

PA122030 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 12 Jul 84

[Text] Bogota -- Carlos Jimenez Gomez has described his contact with drug traffickers in Panama City on 26 May as an action taken as the attorney general, an honest act, and a duty to the nation. He maintained that he will answer any questions that arise from this action and he rejected the idea of an official negotiation with drug traffickers. He stressed that nothing was negotiated in Panama and that his trip was not exclusive because it is not true nobody but warned that it was his duty to listen to compatriots. [sentence as heard] He described drug trafficking as a public order problem together with [word indistinct].

He said that his meeting in Panama City with drug trafficking spokesmen was the culmination of a process of persuasion and noted that he agreed to meet with drug traffickers in his capacity as attorney general. He called for the publication of the final text of the proposal made by the drug traffickers that is in President Belisario Betancur's hands.

He said that no one else participated in these talks that, he disclosed, began in Bogota in October 1983. He denied that he had asked for clemency for drug traffickers because impunity will never be a guarantee of democracy. For this reason, he added, we will be zealous in the struggle against crime.

He announced that he made his 26 May trip in a chartered plane because he had to be cautious in his actions but stressed that he entered Panama through Tocumen Airport and described Panamanian President Jorge Illueca's statement that he had entered Panama secretly as a hasty remark. He reiterated that his contacts on that date were within the framework of a process of talks that had been established a long time ago but emphasized that they are not and were never considered negotiations.

He warned that the authorities are aware of crime and every effort for its prevention and control must be used.

Let no one think that impunity will reign because those who are outlaws must respond to the courts. I assume, before the nation, every responsibility for what happened, Jimenez Gomez reiterated and he warned that isolated voices with influence in the media tried to spread three negative ideas: that he went to Panama exclusively to hold the talks, that he left immediately after former President Lopez Michelsen, and that he had the preconceived idea of engaging in negotiations. I tell those who are trying to consolidate these ideas among the people that I am willing to refute this anywhere because if it is a matter of attacks like that, one must know that I will hit back. I will not be chased, he said, and he warned that if the people think that his action lacked [words indistinct] and that he must resign, then there is nothing else to do. But I will not run, he stressed.

In conclusion, he urged Colombians to think of the country's problems in terms of their content and consequences and not as the radio and television do, where they think of personalities first.

M-19 OPPOSES GOVERNMENT FUMIGATION PLAN

PA121658 Bogota Cadena Radial Super in Spanish 0000 GMT 12 Jul 84

[Text] Santa Marta -- The subversive 19 April Movement (M-19] today threatened to fire on helicopters from which the government plans to fumigate the Sierra Nevada of Santa Marta to destroy marijuana plantations.

The actions will be carried out when the Justice Ministry and the Drug Council begin the planned fumigation, because the M-19 Movement believes that the project does not respond to Colombian and U.S. needs or interests or [words indistinct].

The M-19 announcement was made to Maputo Illueca and Roberto Calderon, who are reporters of Santa Marta's EL INFORMADOR newspaper. The M-19 added that the Executive Branch, in making the decision, overlooked research carried out by the University of Magdalena and the Institute of Renewable Natural Resources and the Environment [INDERENA] on the damage that this project could have on the ecological system and the Indian population.

COLORADO PARTY PRESIDENT PRAISES NATION'S POLICIES

PY112132 Asuncion ULTIMA HORA in Spanish 10 Jul 84 p 9

[Excerpt] In a speech he delivered during a political rally in Encarnacion, Colorado Party Executive Board President Dr Juan Ramon Chaves said that "our party never has and never will exercise power with violence. The Colorado Party is not an enemy of organized political parties. To improve the political regime, the Colorado Party and three other parties, on an equal basis, struggled for the approval of the 1967 Constitution by the Constituent Assembly." During the rally, Itapua Colorado Party members reiterated their support for Chaves' reelection as president of the party Executive Board.

Chaves discussed the nation's policies, stressing that "to the pride of all Colorado Party members and of all the people, our country has definitely embarked on the fortunate course of a constitutional regime that has done away with the violent methods of the past, methods that are no longer used to decide the institutional future of our country."

"After a long struggle," he went on, "today the national government offers the guarantee of its institutional tradition to the nation. We have eradicated anarchy and terrorism, because we will not let an evil policy undermine our fatherland's future."

MOPOCO REPUDIATES PROHIBITION ON ASSEMBLY

PY102259 Asuncion ULTIMA HORA in Spanish 6 Jul 84 p 36

[Colorado Popular Movement, Mopoco "open letter"]

[Text] Upon learning of the official prohibition to hold the Mopoco assembly, which was scheduled for 7 July at the Radio Charitas Auditorium, we categorically repudiate this arbitrary and illegal government measure.

Mopoco returned to the country after 25 years of unjust exile with the sole purpose of working for the greatly desired democratization of the country and the recovery of the suppressed freedom within the Colorado Party, which has led to the forsaking of the principles of the party and to the negation of its banners for the redemption of people's rights.

The legitimate right to participate in national political and party activity through peaceful and constructive dialogue -- something which is invariably promoted by Mopoco -- has once again been prevented, thus adding new proof to the fact that the regime is unwilling to undertake a true national democratization process.

In doing so, the regime is also refusing to enforce its own laws and closing the doors to achieving peaceful coexistence among Paraguayans.

Asuncion, 6 July 1984 -- For the Coordinating Commission: Miguel Angel Gonzalez Casabianca, Enrique Riera, Waldino Ramon Lovera, Julio Cesar Vasconsellos, Mario Mallorquin, Arsenio Vasconsellos, Eduardo San Martin, Andres (Bogadon), Alejandro Stumpf, Sandino Gil Oporto, Francisco Centurion, Humberto Zarza Jr, and Marcos Bibolini Quaranta, secretary.

Issues Communique on Plenum

PY111903 Asuncion ULTIMA HORA in Spanish 10 Jul 84 p 6

[Colorado Popular Movement, Mopoco, advertisement: "Press Communique"]

[Text] Despite the illegal government decision to prohibit the plenum summoned by Mopoco to be held for the first time in the fatherland after 25 years of exile, this civilian meeting was held as scheduled, on 7 and 8 July, and was attended by large group of distinguished Mopoco leaders and members that arrived from abroad and various points of the Republic.

During the ceremony many messages of greetings and democratic solidarity were received, among others, from the Brazilian Democratic Mobilization Party; the Argentine Radical Civic Union and its branches in Misiones, Chaco, and Formosa Province; the Blanco and Colorado Parties of Uruguay; the member parties of the National Accord; the Paraguayan Confederation of Workers in exile, the International Catholic Rural Association Secretariat; U.S. human rights organizations "Americas Watch" and "Washington Office on Latin America; as well as personal messages received from fellow partisans from abroad and the interior of the country.

During the meeting the participants thoroughly discussed the alternatives to the Mopoco's return, as well as the political situation which this return will cause at a national and partisan level. It was stated that that historical event would have a positive repercussion despite the verbal war unleashed by government officials and the police harassment our members are subjected to.

Moreover, another major issue of discussion was the country's political and socio-economic situation, the seriousness of this situation, and the lack of a government response to the demands made by the citizenry, all of which are making the need for profound corrections and changes, which will allow the rectification of the chaotic state of affairs, unpostponable.

Aware of our political responsibility, and in our capacity as interpreters of the important role that true Coloradism plays in this crucial phase, the Mopoco has decided to propose concrete solutions that will allow a peaceful and civilized outcome. These proposals will be disclosed to the Colorado people and national citizenry in the near future under the title "Proposals To Overcome the National Crisis."

Asuncion, 9 July 1984

[Signed] Press Secretariat of the Mopoco Coordination Commission.

MARIATEGUI, CAPUTO ON INTEREST RATES, CONTADORA

PY122005 Paris AFP in Spanish 0013 GMT 11 Jul 84

[Text] Lima, 10 July (AFP) -- Peru and Argentina today asked the industrialized world to lower the interest rates that dramatically overload Latin America's foreign debt. They also expressed their concern over the crisis in Central America and their support for the peace negotiations undertaken by the Contadora Group.

These announcements are stated in the joint declaration signed in Lima this evening by the Foreign Ministers Sandro Mariategui, of Peru, and Dante Caputo, of Argentina. The Argentine minister will depart for Buenos Aires within a few hours, thus ending his official 2-day visit to Peru.

At the same ceremony, the ministers exchanged notes, by which Argentina refinances 90 percent of the Peruvian debt for a credit overdue on 30 April for the construction of the Lima Nuclear Center and by which it extends until next April a $40 million loan for the purchase of food.

In the joint document they stated that the international economic crisis prevents a well balanced development from taking place in Latin America and that the increase in interest rates, the deterioration of trade terms, and the recession will affect the social welfare of the people in this region.

After reiterating that a shared responsibility for the foreign debt problem exists between debtor countries, creditor countries, financial organizations, and the international banks, the document states that the solution must come from a joint [word indistinct] by those who are responsible.

They regret the recent interest rate increase and exhort industrialized countries to adopt measures leading to the immediate and drastic reduction of nominal and real interest rates in international markets. They also proposed measures to mitigate the impact of interest rates, such as the compensation mechanisms of the IMF prolonging payment terms, and improving debt payment conditions, for which only a certain export margin should be used.

Having talked extensively about these matters, the foreign ministers said they wished to establish the basis for a dialogue with the industrialized countries at the next Latin American meeting on this subject that is to be held in Buenos Aires.

The ministers expressed their concern regarding the situation in Central America. They said that Latin American countries should prevent that region from being used as a field for [words indistinct] Peru ratified its firm support for Argentina's claim of sovereignty over the Malvinas, the South Georgias, and South Sandwich Islands. Both ministers agreed on the need for Argentina and the United Kingdom to begin negotiations over the matter, as ordered by the United Nations.

Mariategui and Caputo, alluding to the Peruvian group Shining Path, clearly rejected all forms of terrorism and violence and reiterated their support for democratic principles and human rights, confirming their support for the Bolivian government of President Hernan Siles.

They also agreed to increase trade, technical, and scientific cooperation between their countries, and they added that it is necessary to hasten the works for the use of the Natarani-La Paz-Buenos Aires corridor and the integration of the railway systems of Argentina, Bolivia, and Peru.

Regarding international matters, the foreign ministers said they were concerned over threats to world peace, and over the deterioration of the international economy. They do not favor a division of the world into military blocs and they support the Group of 77 and the United Nations in their quest for a new economic order.

They said that nuclear arsenals are a menace to humanity and that they were pleased at the demilitarization of the Antartic. They also agreed to promote river connections between the basins of the Orinoco, Amazon, and the Rio de la Plata.

Caputo started his second day by visiting the Nuclear Research Center, where he reiterated support for financial and technical aid from his country. He then held a meeting with Economy Minister Jose Benavidez and with the president of the Supreme Court of Justice, Leonidas Vasallo.

MINISTER BENAVIDES: ARMY READY TO FIGHT TERRORISTS

PY110228 Paris AFP in Spanish 2115 GMT 10 Jul 84

[Text] Lima, 10 Jul (AFP) -- Economy and Finance Minister Jose Benavides today asserted that the Peruvian Armed Forces are ready to enter into action against the terrorist Shining Path group, but he said that President Belaunde has the final word because it is a grave decision.

During a luncheon with foreign journalists, the minister said that the mad actions by the Shining Path group must be fought through the adoption of economic, social, and repressive measures. He added that based on this view, projects totaling 22 billion soles ($7.3 million) are being implemented in the emergency zone (Ayacucho, Apurimac, and Huancavelica Departments) this year.

After stating that the extremists have dressed many families in mourning and caused incalculable material damage, Benavides reported that repairing just the Infiernillo Bridge along the central railroad, which was attacked recently, cost 1 billion soles ($330,000).

The minister added that the government is acting with moderation but he said that the situation is reaching a turning point. He said that the government has avoided fighting violence with violence, and he expressed his hope that God will not allow the situation to become too critical.

In conclusion, he asserted that the Army is capable of wiping out the Shining Path and entering into action at any time. He said that this decision is the prerogative of President Belaunde, adding that although he has not adopted it yet it is not for fear of losing control over the Armed Forces because they respect the Constitution and the law.

REPORTAGE ON GUERRILLA ACTIVITIES, CLASHES

Fighting in La Libertad

PY100342 Madrid EFE in Spanish 1744 GMT 8 Jul 84

[Text] Lima, 8 Jul (EFE) -- According to a report in the Lima newspaper LA PRENSA, 26 peasants have died in a clash over land ownership in La Libertad Department. The report stated that the conflicting groups used blunt instruments and fought for several hours and that many people were injured. It has been claimed that the fighting was instigated by the Shining Path terrorists.

The clash took place on Yanasara Farm, owned by the Cochabamba Agricultural Society, located 200 km north of Trujillo, the capital of La Libertad Department, 4 days ago. According to LA PRENSA, the details were supplied by travellers who came from the area.

LA PRENSA also reported that another clash among peasants took place in the same area 2 weeks ago. On that occasion, two peasants were killed and three were injured.

Attacks Near Ayacucho

PY102210 Paris AFP in Spanish 1800 GMT 7 Jul 84

[Text] Lima, 7 Jul (AFP) -- One security member died and five others were injured yesterday during a clash with terrorists in Huamanguilla District, 40 km northeast of Ayacucho. This was reported today by a source at the local police station, which received a radio call for help from the ambushed patrol. The source said that approximately 60 hooded, heavily armed men threw dynamite charges at the security personnel and that they later machine-gunned them. He added that an undetermined number of terrorists and civilians also died during the clash. The Ayacucho authorities ordered the immediate deployment of reinforcements to the area.

On the night of 6 July, another subversive attack [words indistinct] was repelled by security forces. The police indicated that no security personnel died and that they did not know whether the attackers sustained any casualties.

On 5 July, five youths between 7 and 11 years of age dynamited a freight truck travelling along the Huanta-Irubamba Highway after they forced the driver and the owner of the truck to get out. The owner reported that he was a group of hooded armed men who were probably controlling the attack from a distance.

A train that was transporting 100 people from Huancayo, 300 km southwest of Lima, to Huancavelica, 522 km from Lima, was attacked on Friday by a group of subversives who dropped stones from a hill to stop the train. However, the policemen who were guarding the train repelled the attack. During the attack, the train's roof and some windows were damaged and the engineer was injured.

Among other minor attacks that took place yesterday in Chancay, 134 km north of Lima, a column of hooded Shining Path members armed with submachineguns and headed by a woman tried to seize a cargo truck by blocking the Northern Pan-American Highway, according to the police that received the report.

In Trujillo, 542 km north of Lima, two Shining Path members threw a large number of dynamite sticks at the main offices of the chemical firm Quimica Suiza, destroying medicine and equipment worth many soles. A student who was working in the vicinity of the attack was injured.

Indian Peasants 'Massacred'

PY100359 Buenos Aires TELAM in Spanish 0412 GMT 8 Jul 84

[Excerpts] Lima, 7 Jul (TELAM-ANSA) -- Thirty-six Indian peasants have been massacred in La Mar Province, one of the 13 that are under the jurisdiction of the politico-military command. The massacre took place simultaneously with the government's announcement of "severe measures,' including increased participation by the Armed Forces, aimed at eradicating subversive activities.

Reports from the convulsed city of Ayacucho (which in Quechua means "city of the dead") indicated that a large group of guerrillas attacked the hamlet of Chilcas using machetes, rifles, and dynamite and killed 36 peasants who vainly tried to defend themselves.

It has also been reported that some 600 guerrillas have again attacked the Canarias Mine and seized 1,000 sticks of dynamite and fuses. There is no information on casualties.

Escalating Violence

PY120346 Buenos Aires TELAM in Spanish 2025 GMT 11 Jul 84

[Text] Lima, 11 Jul (TELAM) -- Police sources this afternoon reported that 30 slain campesinos and 9 dead guerrillas in outlying Andean towns is the recent toll of the escalating violence that is scourging the country. The official report states that 20 campesinos were shot to death by guerrillas of the Maoist Shining Path group in the town of Tambo, Ayacucho Department, when the victims refused to help the guerrillas.

The police report states that the six other campesinos were killed in the Yaurihauri region for the same reason and four others were killed a few kilometers away. On the other hand, a spokesman of the security forces confirmed that a clash took place yesterday in the remote town of Llaucausica, which is located in the jungle, where nine terrorists were killed. The report on the violence unleashed by the Shining Path over recent weeks concludes by stating that there is no news regarding the 12 policemen who last Saturday left for the Andean town of Huamanguilla to reinforce the security forces that are fighting the subversive groups.

100 Terrorists Killed

PY120306 Madrid EFE in Spanish 0235 GMT 12 Jul 84

[Text] Lima, 11 Jul (EFE) -- The Peruvian state-owned television station tonight reported that more than 100 terrorists have been killed in a clash with military forces in a hamlet in Ayacucho Department. The clash took place in the hamlet of Puquio, 450 km south of Ayacucho, capital of the department which bears the same name, the source added.

Terrorists Sentenced

PY120340 Paris AFP in Spanish 0216 GMT 12 Jul 84

[Text] Lima, 11 Jul (AFP) -- Three terrorists charged with being the perpetrators of the fire that broke out in the Bayer synthetic fiber factor on the outskirts of Lima on 27 May 1980 were sentenced here today to serve 10 years in prison. Adrian Diaz, Dionisio Huamani, and Edgar Lizano were arrested after the terrorists blacked out nearly all of Lima by felling high-tension pylons. Taking advantage of the blackout, the Bayer factory, which is located near Lima airport, was attacked and set on fire.

Fire other defendants were acquitted by the court because of a lack of evidence. The convicts will have to pay as a compensation altogether the amount of 10 million soles ($2,800).

BRIEFS

ECONOMY, COMMERCE VICE MINISTERS -- Enrique Arroyo Rizo Patron and Jose Leon Viacroze have been sworn in as economy and commerce vice ministers, respectively. Jose Bernal Helguero has been appointed secretary general of the Economy, Finance, and Commerce Ministry. [Summary] [Lima Diplomatic Information Service in Spanish 0541 GMT 28 Jun 84 PY]

DEBT TO USSR -- The Export Promotion Fund (FOPEX) has stated that Peru has paid $10 million of its foreign debt to the Soviet Union by exporting nontraditional goods and staples. It pointed out that 75 percent of Peru's exports are nontraditional goods. [Text] [Lima Diplomatic Information Service in Spanish 0543 GMT 28 Jun 84 PY]

EL DIA CRITICIZES U.S. BANKING POLICY

PY111830 Montevideo EL DIA in Spanish 30 Jun 84 p 4

[Editorial "The Doors Are Closed"]

[Excerpts] The U.S. banking legislation, which may be said to be quite strict, is making an effort to maintain a healthy banking system (an objective not always attained.)

A regulation that was in force until 30 June compelled banks to deduct from their quarterly profits the interests on overdue credits not paid or renewed during the preceding quarter. This means that the legislation indirectly permitted a 90-day delay in the payment or renewal of credits. That margin for error has been and still is very much used by the main Third World debtor countries during their frequent liquidity crises, or when some essential condition to continue negotiations has not yet been met (as in the case of negotiations with the IMF. This rule, which granted only a 90-day margin to Third World debtor countries, has been made even stricter. The margin for maneuver has been reduced to zero days, due to the fact that as of 1 July the debtors must fully pay their debts at the end of each quarter in order not to be classified as "nonproducing."

In this manner, then, the U.S. Federal Reserve will attain its goal of eliminating the institutionalization of the 90-day delay, and it will tighten the permanent and excessive demands with which it handles the relations with the big underdeveloped debtor nations. At a time when international tension over the foreign debt problem is increasing, and when comprehension is needed more than ever, creditor countries adopt a stricter and more dangerous position which once again shows their intransigence.

SEREGNI SAYS NO TALKS UNTIL SITUATION EASES

PY110110 Montevideo Radio Carve in Spanish 0000 GMT 11 Jul 84

[Excerpt] General LIber Seregni, retired, has stated that there will be no counterproposal or talks until the Armed Forces approve concrete measures to ease the political situation. Gen Seregni and Drs Enrique Tarigo and Juan Vicente Chiarino form the commission that is studying a counterproposal to be submitted to the government.

BLANCO PARTY TO HOLD DEMONSTRATIONS 16 JULY

PY110120 Montevideo Radio Carve in Spanish 0000 GMT 11 Jul 84

[Excerpt] The Executive Board of the National Party will hold a demonstration along 18 de Julio Avenue on Monday, 16 July, to commemorate the first month of Wilson Ferreira Aldunate's arrest.

'POLITICAL PRISONERS' FAMILIES BEGIN FAST

PY111755 Buenos Aires TELAM in Spanish 0224 GMT 11 Jul 84

[Excerpts] Montevideo, 10 Jul (TELAM-LR) -- Relatives of prisoners and of political and labor union leaders have started to fast in support of the former Uruguayan guerrilla Adolfo Wasem who has been on a hunger strike since 30 June. The relatives and leaders, who last night started the 10-day hunger strike demanding the release of the nearly 700 political prisoners in Uruguay, said that this measure will be the only way to pacify the country.

MORE ON FRG CHANCELLOR'S PRESS CONFERENCE

FL121826 Mexico City NOTIMEX in Spanish 2218 GMT 11 Jul 84

[Text] Mexico City, 11 Jul (NOTIMEX) -- Prime Minister Helmut Kohl today said here that Mexico and the FRG have agreed that Latin America's underdevelopment will be overcome only through dialogue and cooperation.

At a press conference, Kohl said that the FRG will expand economic cooperation with Latin America, especially with Central America, and that it will speak on behalf of this region to the EEC on contributing to the development of Latin America.

He emphasized that the situation of indebtedness was not solely financial, but a human issues problem as well.

Kohl said that trade between Mexico and the FRG would be expanded and that investment by West Germany in Mexico would be regulated by Mexico's for foreign investment laws.

On his conversations with Mexico's President Miguel de la Madrid, Kohl said the FRG had set new goals, and that De la Madrid had accepted an invitation to visit West Germany in the near future.

Kohl differed from Mexico on its foreign policy position, which confers the status of belligerent forces on Salvadoran insurgents, and said that his government does not consider the FMLN-FDR a representative group.

The FRG supports those efforts that attempt to bring peace to Central America, such as those of President Jose Napoleon Duarte in El Salvador. Asked about West German support for the Salvadoran regime which has been pointed out as not complying with human rights, Kohl said, "I cannot accept what has been said about my friend Napoleon Duarte."

Asked about FRG support for El Salvador's elections, at which guerrilla participation was avoided, the prime minister rejected the idea that the thousands of men who are confronting the Salvadoran military are representative of that nation.

When asked if his meetings with President De la Madrid had influenced his government's position on U.S. policy in Central America, Kohl said that he had no intention of intervening in the U.S. presidential campaign. Kohl concluded by saying, "I know of several viewpoints. Nobody can doubt the FRG's positive stance towards the Americans, but I am for a clearer German policy." [as received]

Sepulveda Discusses Visit

FL130038 Mexico City NOTIMEX in Spanish 1714 GMT 12 Jul 84

[Text] Mexico City, 12 Jul (NOTIMEX) -- Foreign Secretary Bernardo Sepulveda Amor has said that the visit to Mexico by West German Chancellor Helmut Kohl would not change the policies of the seven highly industrialized countries regarding Latin America. After seeing off the West German official, Sepulveda said the visit was basically related to bilateral issues between the two countries. Kohl held meetings with President Miguel de la Madrid and other high officials. The West German chancellor stayed in Mexico for 3 days before leaving last night for Washington, D.C., where he will remain for a few hours before departing for his own country.

SENATOR ON MEETING OF LATIN AMERICA PARLIAMENT

FL111552 Mexico City NOTIMEX in Spanish 0335 GMT 11 Jul 84

[Excerpt] Mexico City, 10 Jul (NOTIMEX) -- Mexican Senator Celso Humberto Delgado today said that Mexico will insist on reaching foreign debt bilaterial agreements and will support resolutions reached at the Cartagena meeting at the next Latin American Parliament which will be held in San Jose, Costa Rica. He added that at this meeting, to be held 20-22 July, the participants will try to formulate a plan of action which will express the protest of Latin Americans against the increase in interest rates.

COMMISSION APPOINTED ON MIGRATORY WORKERS

PA110420 Mexico City EL SOL DE MEXICO in Spanish 7 Jul 84 pp 1, 10

[By Antonio Gil]

[Excerpts] Following instructions from President Miguel de la Madrid, a commission composed of various secretaries of state and the leader of the Mexican Senate is preparing specific measures to assist the Mexican migratory workers who will be affected by the possible enforcement of the Simpson-Mazzoli bill in the United States.

The president has ordered that the problem be attacked at its roots, so that these Mexicans may find, in the medium term, the economic and social conditions that will link them productively to their places or origin and so that with their constructive effort they may assist in the country's development.

During a meeting attended by the secretaries of government, foreign relations, planning and budget, labor and social welfare, commerce and industrial development, and urban development and ecology, and by the leader of the Senate, it was stressed that "the government of the republic strictly respects the sovereign right of the United States to determine the conditions under which a foreigner will or will not be able to enter its territory." The commission declared that, following the instructions issued by the president, it will invite all labor, peasant, and popular organizations to participate and be represented in the overall plan for solving this problem.

SHIPPING COMPANY TO BE ESTABLISHED WITH SPAIN

FL111544 Mexico City NOTIMEX in Spanish 1003 GMT 11 Jul 84

[Text] Mexico City, 10 Jul (NOTIMEX) -- Mexico and Spain will invest $48 million in the formation of a shipping company that initially will operate with 10 Spanish-built ships, it was officially reported here today.

Minutes before he left Mexico City for Bogota, Colombia, to continue his work trip, Spanish Deputy Minister of Industry and Energy Carlos Crossier added that the ships will transport ores and cereals. Crossier said that the creation of a Mexican-Spanish shipping company will be formalized this month and that Spain will provide Mexico with technology for the construction of large ships.

The binational shipping company will strengthen the Mexican merchant fleet, which now transports 10 percent of the national maritime cargo. The remaining 90 percent is transported in foreign ships.

After Crossier met with Pemex Director Mario Ramon Beteta, Spain and Mexico agreed to increase bilateral cooperation in petrochemicals.

Spain offered Mexico technical aid in the construction of railroad equipment, locomotives, railroad cars, and containers, which could be exported to the United States and countries in Latin America, he concluded.

FIRST QUARTER TRADE SURPLUS WITH MIDDLE EAST

F1121532 Mexico City NOTIMEX in Spanish 1835 GMT 11 Jul 84

[Text] Mexico City, 11 Jul (NOTIMEX) -- The Secretariat of Programming and Budget has announced that during the first quarter of 1984, Mexico had a $116,000,076 surplus in its balance of trade with the Middle East. It said that this favorable balance is due to the fact that Mexico exported goods valued at $117,270,000 to this region and imported only $1,194,000 in goods from this region.

The secretariat added that in its trade with the Middle East nations of Saudi Arabia, Egypt, Iran, Iraq, Kuwait, Lebanon, and Israel, trade with Israel was the most outstanding because Mexico sold Israel goods worth $106,863,000 and bought only $990,000.

The secretariat added that Iran was second in importance to Israel. Mexico sold Iran goods worth $5,754,000 and imported from Iran only $182,000, giving Mexico a favorable balance of $5,572,000.

The secretariat announced that during the first quarter of 1984 Mexico had a favorable trade balance with Africa of $3.6 million because of the $6,311,000 that Mexico exported to that region.

The secretariat stressed that Mexico exported goods worth $3,655,000 to Algeria and imported nothing, but that in trade with Australia, Nauru, and New Zealand its balance of trade was unfavorable because Mexico imported $11,765,000 and sold only $3,426,000.

REPORTAGE ON CANAL COMPENSATION CONTROVERSY

U.S. Members' Position

PA121830 Panama City CRITICA in Spanish 12 Jul 84 pp 1, 18

[Article by Carlos J. Nunez L.]

[Text] The five U.S. representatives on the Canal Board of Directors were looking for a dignified and balanced position in regard to the controversial issue of funds to compensate the loss of privileges by U.S. employees of the Panama Canal Commission. The meeting of the board of directors began at the Canal Commission's Administration Building yesterday.

The situation of the five U.S. representatives, however, is even more difficult regarding the Panamanian Government and people because the government decided in a cabinet meeting held on Tuesday that "Panama will not accept, under any circumstances, the approval of a withdrawal of canal funds to compensate the privileges that will be eliminated on 1 October."

At the same time, business, civic, and union groups have repudiated the attitude of the "Zonians." William Gianel, president of the Canal Commission's Board of Directors, told the media that "this controversial adjustment will result in discussions for and against it within the board."

The topics that the board is analyzing include studies to expand the Gaillard Cut, the commission's draft budget for 1985, and the adjustment mentioned above. In any event, some local analysts told CRITICA that a cautious attitude on the part of the U.S. delegation is most advisable and that they should not try to impose -- because of the five to four majority they hold on the board -- the adjustment that would represent not only an annual expenditure of $12 million or more but that would be a violation of an international agreement, the Torrijos-Carter treaty.

Benefits Approved

PA130238 Panama City Televisora Nacional in Spanish 2300 GMT 12 Jul 84

[Excerpts] Certain benefits for U.S. citizens employed by the Panama Canal Commission [PCC] that will total $4 million per annum were approved this afternoon by the PCC's Board of Directors during a meeting that began yesterday.

During the meeting the Panamanian members of the board stated that Panama could not approve these benefits for U.S. citizens because they would have to be covered by the PCC. The motion was approved by five yea and four nay votes. The five affirmative votes were cast by the U.S. members of the board while the four negative votes were cast by their Panamanian counterparts.

Oyden Ortega Critical

PA130346 Panama City Televisora Nacional in Spanish 2300 GMT 12 Jul 84

[Foreign Minister Oyden Ortega interviewed by unidentified reporters -- live or recorded]

[Text] Oyden Ortega, Panamanian foreign minister and member of the Panama Canal Commission [PCC] Board of Directors, said that the canal treaties have been violated.

[Begin recording] [Ortega] I must say that the U.S. members of the Board proposed a cost of living adjustment that would add up to approximately $9 million [as heard] per annum. It was also proposed that this be included in the PCC budget to the detriment of the benefits that Panama should receive from the canal income. We were very firm in stating that the U.S. Government is not authorized to grant these benefits and that the PCC should not grant U.S. employees these benefits because this would be a violation of the treaties. This measure is detrimental to 75 percent of the work force that is Panamanian. We also must take into consideration that this is going to affect the morale of the workers because we will have a group of workers with a higher salary, despite the fact that we eliminated the double wage scale a few months ago.

The Panamanians were firm in their stance and the U.S. members had to change their stance in regard to the cost of living adjustment and accept additional benefits. However, we believe that these benefits are also detrimental to the morale of the other workers and are in violation of the treaties. The treaties state that there will be no wage, sex, or benefit discrimination. Obviously, these benefits come under the circumstances mentioned in the treaties and are detrimental to the PCC, Panamanian Government and Panamanian people.

[Unidentified reporter] How does this compare with the statements made by President Illueca to the effect that Panama cannot accept these benefits for U.S. citizens?

[Ortega] That was the stance adopted by the Panamanian members of the Board. Our stance was firm, categorical, and in accordance with our previous stances that Panama cannot accept any benefit or payment made as part of a cost of living adjustment. As you know, the cost of living adjustment has come about because on 30 September the U.S. citizens will lose their commissary and post office privileges. However, we were firm in stating that this was one of the reasons we had to negotiate the treaties. It was agreed that on 30 September all privileges would be eliminated -- this was a motivating point for the Panamanian negotiator.

[Unidentified reporter] Mr Foreign Minister, despite the fact that this measure has already been approved, will Panama send a protest note to the U.S. Government stating that the Torrijos-Carter treaties were violated? Will Panama inform the world of this?

[Ortega] Yes. We will inform the public and for this we will use people like you. We will also do it through diplomatic channels.

GROUP CLAIMS RESPONSIBILITY FOR EXPLOSIONS

PA112134 Panama City YA in Spanish 11 Jul 84 pp 1, 2

[Text] A group calling itself the "Gutierrez Gomez-Caloma Resistance" group claimed responsibility for yesterday's explosion in the buildings of the Ministry of Finance and the Comptroller General's Office in this city.

The Gutierrez Gomez Resistance group, so called in memory of the last 7 May martyrs, issued a communique indicating that in view of the passiveness of the opposition political parties, "we have decided to fight the extension of military rule for 5 more years with all means."

In its first communique, the Caloma group declared "that the fight has just begun," that "they will fight for the respect of the vote, the purge of the Defense Forces, democracy, and the respect for dignity."

COSTA RICA

PANAMA'S ARDITO BARLETTA VISITS, MEETS WITH MONGE

PA121548 San Jose Radio Reloj in Spanish 0100 GMT 12 Jul 84

[Excerpts] Panamanian President-elect Nicolas Ardito Barletta, who arrived on a special flight this morning accompanied by a delegation [words indistinct] officials to make up his government, greeted Costa Ricans in general and President Luis Alberto Monge Alvarez in particular. He was received by Costa Rican Foreign Minister Carlos Jose Gutierrez and his country's ambassador Luis Carlos Zarak de la Guardia. His first remarks were addressed to the Costa Rican people, through representatives of the press who were at Juan Santamaria Airport awaiting his arrival.

At 1110, Ardito Barletta visited the Presidential Palace in El Zapote where President Monge Alvarez was waiting. Monge Alvarez welcomed him, stressing the strong relations that our countries have maintained throughout many decades and said that these relations are an example for many countries that do not have peace despite the efforts made in this direction. The two presidents held private talks and then went to Monge Alvarez' presidential residence, where they had lunch according to the agenda that had been prepared in advance.

Ardito Barletta expressed pleasure over this visit, and pointed out the admiration that all Panamanians have for Costa Rica. In particular, he said, he has always admired and had a special affection for Costa Rica. Ardito Barletta continued: As Monge so aptly put it, our countries have set an example throughout many decades. Our two countries appreciate one another and our close ties because of our common border are an example of the constructive work we have done to resolve problems and many other aspects related to our development. We respect the Costa Ricans' permanent devotion to human rights and appreciate their dedication to work and their overall development. We especially admire the courageous and heroic way in which they are facing these difficult moments for the world economy, particularly for Costa Rica, the visiting president-elect noted.

We admire Monge, Ardito Barletta told newsmen, because he has been a champion of freedom, social justice, human rights, and democracy for many years. Now that we have fully implemented democracy in Panama as a result of direct elections, which culminated with the election of a president and a legislative branch, and now that we have called for a democratic effort for national reconciliation by all Panamanians, Panama and Costa Rica have a common characteristic.

Several leaders of Costa Rican political parties met with Ardito Barletta, who received them at a Hotel Cariari suite this afternoon. These political leaders included: Carlos Manuel Castillo, Daniel Oduber, Oscar Arias Sanchez, Rafael Angel Calderon, and others.

BRIEFS

MARIJUANA PRODUCTION -- With the annual production of 500 tons of marijuana, Costa Rica is no longer simply a bridge for international drug traffickers, but a center of production and processing, Armando Arauz Aguilar, second vice president of the Republic and coordinator of the National Security Council, has asserted. The vice president said that drug abuse has become a real problem in Costa Rica and that the authorities are focusing on the problem of marijuana cultivation in southern areas such as Osa, Coto Valley, and Punta Burica. [Excerpt] [San Jose LA PRENSA LIBRE in Spanish 26 Jun 84 p 2 PA]

EL SALVADOR

DUARTE PRESS CONFERENCE ON GUERRILLAS, OTHER ISSUES

PA130054 San Salvador Radio Cadena YSKL in Spanish 1800 GMT 12 Jul 84

[President Jose Napoleon Duarte's press conference at the Presidential Palace in San Salvador -- live]

[Excerpts] [Moderator] The first question will be asked by Raul Beltran, correspondent for UPI, Radio Cadena YSKL, and (?VOA).

[Beltran] Mr President, your government has stated that it will fight against corruption. Referring specifically to the post office incident, approximately 1 year ago more than $6 million was lost or stolen. This money was to have been used to help the needy in El Salvador and had been sent by their families who live abroad. Will your government reopen this case and punish the responsible parties? Also, I would like to hear your opinion regarding the statements made by Guillermo Manuel Ungo in Panama to the effect that the possibility of a dialogue with your government is more possible today than ever?

[Duarte] Regarding your first question, I have said that all cases involving corruption will be investigated; however, this will depend on whether we can obtain the adequate information. One cannot investigate a case if one does not have adequate information. In the specific case of the post office, the new postal director will begin to review the administration, the way it has worked, and the violations that may have occurred. I have instructed all department chiefs to begin an investigation. If they have any doubts or if they find something, then they should do two things: First, they should contact the Office of the Attorney General and report the case. The attorney general will then review the charges and determine whether legal actions are in order. Second, they should make a public charge for the people to be aware of each of the situations. The case of the post office will also be handled in this manner. The department chief will review the case and if further investigation is warranted, it will be done and the people will be duly informed.

As to your second question regarding Mr Ungo's statements, the truth is that Mr Ungo is apparently expressing his own feelings. This clearly shows that the members of the FDR have recognized the legality of the government and the popular support that this government has. Never before had they mentioned what you referred to.

Aside from recognizing the legality -- and they do this in a disguised manner because they will not do it publicly -- and the validity of the government to speak for the people, they are trying to bolster their cause. They are trying to make the world believe that some type of negotiations are under way. I wish to deny this. At present, there is no possibility of a negotiation. First of all, I do not believe in negotiations when there are rifles on the table. You have heard the statements made by these gentlemen. They said they occupied Cerron Grande to force a negotiation. Now they are burning buses, placing bombs, and carrying out terrorist actions throughout the country. Yet they continue to say that all this is to force the government to make a decision to negotiate. They are trying to negotiate with war; they do not want to negotiate for peace. I am not willing to negotiate with war; I want to dialogue for peace and here is where the difference lies.

Second, the FDR's political sector has no control over the military guerrilla sector, and everyone will admit to the fact that those that give the orders are members of the Unified Revolutionary Directorate, the military commanders. The only suggestions they have made until now have been war suggestions -- war suggestions because they continue with their military actions and operations throughout the country. There are rumors that they have purchased surface to air missiles. This proves that these gentlemen do not want a peaceful solution, but are bent on a military solution. They are determined

not to allow the government to stabilize itself. They want to create an economic crisis to avoid the government's stabilizing itself. They do not want to give the government a chance.

Therefore, under these circumstances we cannot think that these people really want a dialogue for peace. Dialogue means that there is a willingness on the two sides to find peace. We will do all that is in our hands to find peace but we understand that for a real dialogue for peace to occur, the other side must also contribute. Instead of contributing toward peace, they are contributing to war. This is the difference between our suggestions and those made by the FMLN and FDR.

[Moderator] [Name indistinct] of Radio Cadena Sonora.

[Question] Mr President: I would like to ask three questions. My first question is in regard to the stance adopted by some members of the Legislative Assembly, who did not approve the wage increase bill you presented through the Treasury Ministry. They claim that one of the articles in this bill implies that your government would have absolute power. You recently mentioned a committee that would investigate the activities of the death squads. Do you have more information on this? My last question is on the pressure referred to by the guerrillas. Does your government feel pressured by these guerrilla activities, particularly in the eastern areas?

[Duarte] First of all, I would like to say that there is an element of justice included in the wage increase which would bring some tranquillity to all the public workers who have suffered an increase in the cost of living in recent times. We have to admit that they do need a wage increase. If we do not do this and if the Legislative Assembly does not comprehend the justice involved in this bill, then we will be making a mistake, a serious mistake.

Regarding your second question on some type of pressure that the subversives mention in their communiques -- pressures in the eastern areas -- I would like to say that quite the contrary, we are carrying out military operations all over the country. There are four or five simultaneous military operations under way on a permanent basis and this is destabilizing the subversive sectors in the areas where they usually operate. At this moment operations are under way in the northern areas of the country and on the country's southern coast. In Usulutan operations are under way in the San Pedro hills and the area of Guazapa. Therefore, the Army is mobilizing throughout the country. The truth is that the pressure is on them and this pressure comes from the military operations under way all over the country.

However, there is no doubt that they are involved in a process of attacking the economy. They are stopping buses, traffic; they are burning cars, trucks; they are hurting the people and the Salvadoran people are becoming aware of this. They are the ones getting hurt. However, they are hurting themselves. There is no doubt that there is an objective behind this. They are trying to destabilize or rather, not allowing the government to stabilize itself. They do not want to give us a chance.

But as I said the other day when giving an example of the will of the people and speaking of the missiles, I said that with or without missiles the Salvadoran people shall overcome. The Salvadoran people will resolve their problems and find the path to peace. Therefore, I do not think that the activities of the extreme left will stop the democratic process.

It is the same with the extreme right and its attempts to harm the government. A few minutes ago we were discussing the wage increase. This is something that the extreme right it trying to do precisely to try and prevent the government from stabilizing itself and to weaken the government. I believe that the people are becoming aware of this. Through our Domestic Service and other radio stations, the people are listening to me at this moment and know that this is true.

These sectors, the extreme right as well as the extreme left, are trying to destabilize us but the people know that despite all the crises we have faced and despite all the problems we are facing, we shall overcome them because there is a will to struggle to achieve this. I am sure that the people will help us.

Regarding the death squads activities, we are investigating this and as I said a few minutes ago some investigations are under way. We have received some additional information but, as you will understand, until we have all of the facts this cannot be made public. If we were to reveal what we already have, we would lose the objectivity and the opportunity to obtain more information. Some people have been arrested and we are carrying out more investigations.

[Moderator] Mr President: I present journalist Oscar [name indistinct] Martinez of Radio Impacto.

[Martinez] Mr President: Regarding your government's search for peace, and your willingness to do everything possible to achieve peace among Salvadorans, is your government willing to grant a broad amnesty to political prisoners?

[Duarte] I have said that I am always willing to find the path for the country's pacification. It cannot be denied that a broad amnesty is one of the important steps that must be taken when the time is right for it. What we must not do is take inopportune steps. The willingness exists. I think that it is a necessary measure and I am willing to propose it to the Assembly at the right time, as this is not my decision but the Assembly's.

[Moderator] From the [name indistinct] network, journalist (?Emilio Lopez Mendez).

[(?Lopez Mendez)] Mr President: During the upcoming trip to three European countries that you have announced, will you seek political support for your efforts, since some journalists have correctly referred to El Salvador's image abroad? I also have another question. You have mentioned twice that there are reports stating that guerrillas have acquired surface to air missiles. What proof does your government have of this and who do you think provides, sells, or donates these highly sophisticated weapons to the guerrillas?

[Duarte] First of all, I must tell you that there is no doubt that the main objective of my trip to Europe is to contact the European people and governments and to tell them there is a government in El Salvador that is sensible to social problems, has political legitimacy, and popular support. Obviously, this is part of my efforts to maintain an image of El Salvador in line with reality, and not based on some of the distortions that some world sectors have.

Regarding your second question on the missiles, I think that the person who made this announcement is here right now. I understand that they are Soviet-made SAM missiles. As to where they come from, I think that we all know where they come from. It is simply not possible for anyone to come up with Soviet missiles, such highly sophisticated weapons, out of thin air. The intervention of communist countries, which are meddling in Salvadoran affairs, is obvious. Now, you have asked me if I have any evidence. No, I only have the same information you have, which is known worldwide.

[Moderator] Mr President, next is journalist Timothy Ross of ABC News.

[Ross -- in English] Mr President: Do you see any evidence of continued loss of public support for the FMLN? [Words indistinct] changing the situation of the war between the guerrillas and the government forces?

[Duarte -- in English] I think that there is no doubt that the guerrillas have lost people's support. There is no doubt that the country has clearly shown that it is against guerrilla sectors, and, in fact, this is why they are carrying out terrorist actions -- actions they had never done in the past, such as going into the towns and abducting people. I think this is an obvious sign that they are losing people's support. I certainly believe that the expressions of the people throughout the electoral process shows that the guerillas and the violence are not in agreement with the will of the people. Therefore, I believe that the (?FMLN) is losing support from the people of the country, and this is instrumented by the actions that they are taking, actions of destroying private properties. If a man owns a crop and makes a living with it, and it is destroyed just because he is traveling, he will never support the guerrillas because he feels that they are against the freedom that he has to make a living. And this happens in all sectors in the country. The people are feeling the presence of guerrillas in certain areas, because every time they go to (?these) towns they take away their children, they even kidnap them. I heard that the other day they kidnapped more than 100 people in a town. This is part of the process in which the guerrilla groups are destroying their own support. This is because they feel that they have lost. The only way they have up to this moment is to create terrorism.

[Moderator] Mr President, the next journalist is Roberto (Blocks) of REUTER.

[Blocks] Mr President: You mentioned that during the first 30 days of the current government there was not a single report of abuse of authority. However, according to reports made to the Catholic Church's legal office, 134 people were killed, 123 of them by government forces and 11 by the so-called death squads -- all of them during the month of July. In addition, 15 others were reported missing. How do you explain such a huge discrepancy between the information given by the government, by you, and the information given by the church? Do you really have adequate and reliable access to this information, and what is the government doing to help people file reports?

[Duarte] I think that the information given by the church refers to all of the crimes in the country and that the classification should be accompanied by evidence. These reports should include complete names and should also have all of the details. Therefore, I hope that the church will also send me the reports they have in hand. It is very easy to simply describe things subjectively, instead of complying with the right that every citizen has of reporting a crime. What I have said is that thus far, in 30 days, we have not received any reports from anyone saying here is a report on a crime, or a case of abuse of authority during this period. Any report I receive will be investigated. For this, I have an investigation team. Now I believe that this is an expression of my willingness. There is no discrepancy between the fact that I have received no reports, while others might have received [word indistinct] or have made it public. Each institution has its mechanisms. Nevertheless, I don't want to use this as a shield, because I am willing to investigate. Therefore, if there is information coming from an institution that says that it has reports of abuse of authority by members of the Armed Forces, this would be enough for me to proceed with an investigation. Based on what you have just told me this afternoon, I will send a delegate to personally see the archbishop and to ask him for an official declaration on the reports he has made. Only in this way can we investigate crimes. I will do this today. I cannot remain silent on any abuses committed in our country.

[Moderator] Mr President, [name indistinct] of the World News.

[Question] Good morning Mr President: I have several questions. During an interview in the United States in May, you mentioned the possibility of installing an ammunition factory in El Salvador.

Could you please tell me if you still plan to install this factory, if you are considering this possibility, or if any progress has been made on this? Also, could you explain the reason for this and if there is a reason [words indistinct] could you please explain this? I would also like to know if a neighboring Central American country reportedly has a supply of ammunition, and if you would be willing to use this source. Second, I would like to know if reports I have that you plan to ask for U.S. support for the installation of an airstrip, a training center and two [word indistinct] garrisons. Could you please confirm these reports and explain why and when you will ask for this aid? What reception do you think this request for military aid will have since, generally, the aid received from the United States has been in the form of weapons and other equipment and not an installation? Thank you.

[Duarte] I remarked at a High Command meeting that it was logical that El Salvador have a military industry instead of depending on importing such products because this benefits the country's industrialization process. I was thinking from an economic standpoint, not a military one. Moreover, I cited several examples: a boot factory, a poncho factory, a munitions factory. However, it is presumptuous to suggest that we will request military or foreign aid for that purpose. I would hesitate to jump to conclusions on this problem because it is just an idea. It is just a matter of thinking that El Salvador can generate work by doing the things that need to be done. This includes everything. Instead of importing certain things we need, it makes more sense to manufacture them here and give our people jobs. If we make boots, uniforms, and ponchos -- possibly even set up armories to assemble and repair arms -- and are using all of those things, it is sensible for us to think of setting up factories that can supply them. This was the line of thought I expressed at that meeting and which I continue to espouse. It is good for El Salvador that we begin replacing those imports with domestic products.

Regarding your second question on plans for building an airstrip and some military garrisons, I must say that the Air Force Command thought of building an airstrip to service the eastern part of El Salvador. Air transportation is inadequate in the east. The possibility of building a strip in San Miguel to service the Ilopango-San Miguel route, which is a busy one, is being considered. If the strip is constructed, it would be possible for the Air Force to use it for military purposes in eastern El Salvador. This would offer more support to the military contingents in eastern El Salvador. However, there is no concrete plan for this at this time. I can not say any more because there is no plan to that effect. I don't know if this answers your question, but I must say that it is premature to talk about requests for credit and support at this stage of the game. If the instance does occur, then it would make news, but not now.

[Moderator] Luis Alvaran, from INTER PRESS SERVICE.

[Alvaran] Mr President: Despite the fact that there have been no direct contacts between the guerrilla fronts and your government, some contacts were made through the church and international organizations, which resulted in the prisoner exchange that freed Colonel Castillo and the negotiations that resulted in the release of General Vides Casanova's brother. Today, you said that the guerrillas have chosen to negotiate while the war continues. Does this mean that the situation has deteriorated and that indirect contacts have stopped? I understand some prisoner exchanges are pending.

[Duarte] Absolutely not. Any move toward peace is good. I just gave a specific answer to a specific question. Your remark allows me to add that the government is open to any peace effort and that that peace effort does not imply that we have forgotten that some people who are suffering can be helped. It suffices to note the case of a group of rebels who are confined to wheelchairs and whose friends want to take them out of El Salvador with legitimate passports, etc.

We are willing to find a way to help in humanitarian actions such as these. We will always be willing to work for peace too and to help those who are in need because that is why we were elected. However, we must make a distinction between the political attitude that the left has taken toward negotiating while continuing the war, and the humanitarian efforts to which we are always open. Moreover, we will always be open to seeking peace as long as the efforts are based not on war or on the desire to divide the pie on the basis of negotiating with arms on the table, but on the acceptance of the fact that the Salvadoran people want to live in peace and democracy, and that all of the murders, acts of terrorism, and destruction must stop. Those actions show that they do not really want peace. We do not want a tactical dialogue that resolves nothing, but a sincere dialogue really interested in attaining peace. Thank you.

[Moderator] President Duarte has just ended his press conference.

GOVERNMENT DECIDES NOT TO DEVALUE CURRENCY

WA131211 Rome IPS in English 10 Jul 84

[Text] San Salvador, July 10 (IPS) -- The Salvadoran Government has decided not to devalue the local currency, the colon, Economy Minister Ricardo Gonzalez said today. The announcement came after Gonzalez met with leaders of the country's business community, which has stepped up its opposition to the government of President Jose Napoleon Duarte and which is demanding that Duarte move to liberalize the economy. Coffee growers and merchants were especially harsh in their criticisms of the government in the meeting yesterday with Gonzalez, who responded by calling on the business community for greater participation in the "sacrifices" the government says it needs in order to establish "economic stability and recovery." The country faces a $200 million budget deficit and a $160 million trade deficit.

Business leaders have reportedly been pressuring the government for weeks to devalue the colon, which is officially quoted at 2.5 to the U.S. dollar but is often traded at a lower price on the black market.

PARAGUAYAN MOPOCO MEMBERS JOIN GUERRILLAS

PA120425 Panama City ACAN in Spanish 2350 GMT 11 Jul 84

[Text] San Salvador, 11 Jul (ACAN-EFE) -- More than 100 Paraguayan activists of the Colorado Popular Movement, Mopoco, have reportedly joined the ranks of the Salvadoran guerrilla movement, according to a communique issued by that organization and delivered to ACAN-EFE today. The 122 Paraguayan troops are said to belong to the Virgilio Cataldi Brigade, according to Commander Fidelio Chavez, who signed the note and is presumed to be the leader of the noted Mopoco military unit.

The communique adds that "this historical step is uncontestable evidence of the revolutionary and fighting solidarity between two sister peoples who wish to break the chains of capitalist exploitation to begin to build the socialist society." The note ends by saying that "Salvadorans and Paraguayans walk the shining path of final victory together, united against the Stroessner dictatorship and Washington's proconsuls." The communique is not dated and carries the heading Mopoco but it fails to indicate when the unit joined the guerrillas, as well as what front the Paraguayans have been assigned to.

VENCEREMOS REVIEWS MILITARY OPERATIONS

PA121440 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 12 Jul 84

[Excerpt] The following is a summary of military operations carried out by our revolutionary troops over the past few hours throughout the country:

At dawn on Wednesday, guerrilla troops occupied a stretch of the Armed Forces Boulevard near El Limon turnoff and sabotaged three power pylons. After sabotaging electric power on the Armed Forces Boulevard, our troops withdrew without any problems.

Near San Gerardo, La Flor turnoff, in northern San Miguel Department, this Wednesday morning, Rafael Arce Zablah Brigade [BRAZ] troops clashed with enemy troops belonging to the Cuscatlan Battalion where they inflicted three casualties; a sergeant and a soldier were killed and a radio operator was seriously wounded. These casualties increase to eight the number of casualties suffered by the Cuscatlan Battalion in the past 48 hours in northern San Miguel Department.

In the past few hours, BRAZ troops sabotaged five trucks on the road joining Chapeltique and Ciudad Barrios. These truck drivers failed to heed FMLN's instructions not to travel on the country's highways.

On Wednesday at 0730, BRAZ troops occupied a strategic stretch of the Pan-American Highway between San Carlos and the customs post in Amatillo, by the Honduran border. Meanwhile, other troops set afire four international trade trucks and two private vehicles.

Our revolutionary troops clashed with enemy troops coming from Santa Rosa de Lima. During the half hour clash, an undetermined number of casualties was inflicted on the enemy.

On Tuesday 10 July at 1000, BRAZ troops attacked enemy troops on the Coastal Highway near the (?public prosecutor's office) in San Juan. Fighting ensued and lasted 45 minutes. The dictatorship suffered three casualties during this clash.

In the Modesto Ramirez Central Front, FMLN sappers on Tuesday evening, detonated dynamite near the San Jeronimo turnoff in (Aviare), few kilometers north from San Salvador. Our troops sabotaged a train carrying cement from (Yucatan) to San Salvador. We were told that the train's engine was totally destroyed.

Finally, urban guerrilla commandoes placed explosive devices under electric power pylons and telephone boxes in the capital city of San Salvador. The explosives were detonated at the end of the San Antonio Abad Street on the Armed Forces Boulevard near the Adoc Factory.

Our guerrilla commandoes carried this sabotage operation on Tuesday evening at approximately 1900.

GUATEMALA

GOVERNMENT EXPLAINS STAND ON TRADE WITH HONDURAS

PA122240 Guatemala City EL GRAFICO in Spanish 12 Jul 84 p 6

[Text] The Guatemalan Government, through the Economy Ministry, has emphatically stated that our country will not maintain any economic relations with Honduras based on bilateral treaties that call for preferential treatment for Honduran products, treaties that go against the interests of Guatemala's industry. The Guatemalan Government has stated that the only possible way is intraregional trade within the framework of an economic integration of the area. This is the position maintained by the other Central American governments toward Honduras, which voluntarily withdrew from the Central American Common Market as a result of the so-called Football War of 1969 with El Salvador.

HONDURAS

SPANISH AMBASSADOR DISCUSSES AIRCRAFT SALE

PA130323 Paris AFP in Spanish 0125 GMT 13 Jul 84

[Text] Tegucigalpa, 12 Jul (AFP) -- Spanish Ambassador to Honduras German de Caso has announced that the Honduran Air Force (FAH) will soon receive approximately six C-101 military "training" planes made in Spain. Thus far, the FAH has received one of these planes. In the next few days, four to six similar aircraft will arrive said Ambassador de Caso, denying that Honduras has received combat planes from his country. He stressed that "these planes are not designed for attacks, but for training." He clarified, however, that they can be equipped with artillery, which would be "a Honduran decision." De Caso made this statement after he met with President Roberto Suazo to mark the end of his diplomatic service in Honduras. He will retire soon. According to observers, the FAH is considered the most powerful and best equipped in Central America.

NICARAGUA

D. ORTEGA EXPRESSES 'READINESS' FOR REAGAN MEETING

LD121424 Hamburg DPA in German 1216 GMT 12 Jul 84

[Text] Baden-Baden, 12 Jul (DPA) -- Daniel Ortega, coordinator of the Nicaraguan Government junta, has described the FRG as an "accomplice to the North American barbarities" in Central America. In a television interview with the Suedwestfunk Baden-Baden, the politician said today that the FRG is involved in the attempt by the United States to intervene in Nicaragua, to "isolate and murder" the Nicaraguan people. Ortega described the FRG's attitude toward his country as "hostile."

Concerning relations between Nicaragua and the United States, Ortega again underlined the interest of his government in talks to solve the existing problems between both countries. He announced his readiness to travel to Washington to talk with President Reagan on how relations could be improved. He also announced his readiness to talk with newly-elected Salvadoran President Jose Napoleon Duarte. However, the Nicaraguan Government would continue to support the Salvadoran guerrillas.

Ortega again proposed removing all foreign military forces from Central America, including Cuban military advisers in Nicaragua. Regarding the elections on 4 November, Ortega said the junta has the intention of holding elections despite the current military conflict. The lifting of the state of emergency depends on the military situation and is not now envisaged.

FRG Envoy To Protest 'Attacks'

LD121812 Hamburg DPA in German 1650 GMT 12 Jul 84

[Text] Bonn, 12 Jul (DPA) -- On Thursday in response to an inquiry regarding attacks on the West German Government by the coordinator of the Nicaraguan junta, Daniel Ortega, the Ministry of Foreign Affairs spokesman said the West German Government has instructed the German ambassador in Managua to strongly protest Ortega's repeated attacks at a high level in Managua. Ortega's criticism was inappropriate and incorrect. The West German Government energetically supports the Contadora initiative which strives for calling a conference of all the foreign ministers of the EC states and Central America, including Nicaragua.

SPANISH GOVERNMENT PROTESTS PRIESTS' EXPLUSION

PA122120 Panama City ACAN in Spanish 1945 GMT 12 Jul 84

[Text] Managua, 12 Jul (ACAN-EFE) -- It was officially announced here today that the Spanish Government has formally protested the expulsion of four Spanish priests by the Sandinist regime and asked that "the case be revised."

Spanish Ambassador to Nicaragua Luis Cuervo confirmed that the protest note was delivered to Deputy Foreign Minister Nora Astorga. In its note, the Spanish Government asked that the case of the priests who were forced to leave the country "be revised."

The Spanish priests whose residence permits were canceled by the Nicaraguan Government are Vicente Caudeli Sanz, Francisco de Asis Castel Mas, Santiago Anitua Lopez, and Francisco San Martin. These Spanish priests left Nicaragua last Monday, after being accused by the Managua government of "pursuing an intensive political activity against the government."

Under the same charges, the Sandinist authorities also expelled two Italian priests, two Costa Rican priests, as well as a Panamanian and a Canadian priest.

EMBASSY IN WASHINGTON ON CIA 'INVASION' PLAN

PA121958 Managua Radio Sandino Network in Spanish 1200 GMT 12 Jul 84

[Text] Washington -- The Nicaraguan Embassy here has released a statement claiming that the U.S. Central Intelligence Agency, CIA, has a concrete plan to launch a sweeping invasion of Nicaragua with mercenaries from the Nicaraguan Democratic Force [FDN], the Revolutionary Democratic Alliance [ARDE], and other counterrevolutionary groups which murder the Nicaraguan people.

It said that, according to these plans, some 4,500 armed criminals will be sent to Nicaragua for the purpose of launching a broad offensive in various areas in the country and taking and securing control over Nicaragua's northern region.

D. ORTEGA, RAMIREZ ON ECONOMY, 'VIGILANCE'

PA121215 Managua Sistema Sandinista Television Network in Spanish 0100 GMT 11 Jul 84

[Daniel Ortega Saavedra, coordinator of the Junta of the Government of National Reconstruction, and Junta member Sergio Ramirez Mercado remarks on the "Face the People" program from the Nicarao neighborhood in Managua; date not given -- live or recorded]

[Excerpts] [Ortega] We do not want more war; this is why we are forced to seek a peaceful solution to the war situation that has been created for us. It is a war we did not look for, but one that the United States brought. This is why we are talking with the United States. We are searching for a way to avoid more sacrifices for the Nicaraguan people, to avoid further grief for Nicaraguan mothers, and to avoid the further shedding of tears and suffering by the mothers and relatives of those who have been mobilized. It is the duty of the revolutionary government, of the FSLN, and of the National Directorate, to search for a peaceful solution. However, to do this we must be strong in facing and defeating the invader. If we are not strong, the possibility of a peaceful solution becomes remote and our enemy will try to impose its military solution. This is why the mobilization of the reservists and companeros registered in the Patriotic Military Service is important at this moment when we are searching for a peaceful solution. It is important because it enables us to fight better and to truly find a peaceful solution, a negotiation, that will lead to normalizing relations between the U.S. and Nicaragua.

We can also say that we have found an attitude of support for the Nicaraguan people among the socialist countries. This attitude of support is not only expressed in words but also in terms of cooperation. In the socialist countries, we encountered concern over the policy that the United States is practicing in the Central American region, especially against Nicaragua. They support Nicaragua's right to defend its revolution. They also support Nicaragua's will to seek a peaceful solution and its efforts to talk with the United States in search of this peaceful solution.

The Contadora Group has sent out a document, a proposal, that has been received by all the Central American governments. Some governments have already expressed their viewpoints on the document and we will also refer to this document. We feel that it is important that this document reflect what has been agreed on throughout the process of talks within the Contadora Group. There were very precise, specific agreements reached and included in other documents that have also been made public. It is to these agreements that we will refer in our answer to the document presented by the Contadora Group. We believe that we must continue to put forth our efforts through the Contadora Group, even though we are putting forth our efforts directly with the United States. The fact of the matter is that the United States is the main obstacle to these efforts.

[Gomez] My name is Jose de la Cruz Gomez; I am a member of the (Carlos Aburto) Sandinist Defense Committee [CDS]. (Aburto) was a machinegunner and combatant on the southern front who died heroically defending this revolution. How will the increase in the prime rate affect us?

[Ramirez Mercado] Somoza left us with a $1-billion foreign debt and we still have this debt. There were international credit institutions and banks that lent Somoza money only months before he left. Much of this money was put in Somoza's personal bank accounts and never came into the country. Because of the political situation Nicaragua is experiencing, we cannot tell those banks that because they lent this money to Somoza we owe them nothing.

This would be a fair solution for Nicaragua, but not for the other Latin American countries that are not facing the Yankee as we are. However, if Nicaragua were to say something like this it would serve as another pretext for aggression and destruction, which is what they are attempting. We have been renegotiating this debt; we have said that we are willing to pay but we will pay in the measure we can.

[Montenegro] My name is Jose Antonio Montenegro. We learned through Companero Lenin Cerna of a new CIA aggression, the so-called "Black Moon" operation, against our free Nicaragua. We would like to know what measures the Sandinist government will adopt and what should the members of the CDS do?

[Ortega] The names they choose for their operations are associated with the racist feelings in the minds of the U.S. leaders. When they plan a criminal operation it is logical for them to choose such a name. Instead of calling this operation "Black Moon," they should have called it "Reagan Moon." [applause, laughter] Well, we must say that we are sugjected to a constant and permanent aggression.

Our health minister, Companera Lea [Guido], was telling us about the losses caused by the U.S. Government during their recent attack on El Tortuguero. El Tortuguero had a small hospital, a well-equipped, small hospital and the only hospital in the area. This small hospital was literally destroyed by the counterrevolutionaries. We have received reports that the losses equal more than 7 million cordobas; losses caused by the aggression of the U.S. Government. More serious, however, than the loss of the millions of cordobas and more serious than the material damage and efforts put into building the hospital, is the loss of life. A 6-year-old child -- at first we thought he was 4 years old -- was wounded in that attack. The child had to be brought to Managua for treatment because of his serious condition. Today the child died. The loss of life is irreparable, especially the lives of children.

Those mercenaries, the U.S. Administration with its strategy, believe that by murdering Nicaraguan children they can murder the revolution because the children are the future of the Sandinist revolution.

What steps and measures are being adopted by the National Directorate and the revolutionary government? What should the CDS and other mass organizations do? All actions must be directed toward the defense of the revolution. What strength do we have to face the plans of the imperialism? We said it earlier; we have the organized people, people organized in the Army, militia, reserves, and mobilized in the Patriotic Military Service -- this is a fundamental force. People organized in the Interior Ministry, State Security, and Sandinist Police, people organized in the CDS. These are also fundamental forces.

Today more than ever the CDS must redouble its revolutionary vigilance task. This revolutionary vigilance is of importance. Without this revolutionary vigilance, the enemy can hit us. It can destroy our health centers. If we had all our vaccines stored in a warehouse and the enemy came and destroyed that warehouse because there was no revolutionary vigilance, then what kind of a vaccination campaign would we have? We would no longer have the vaccines because the enemy came, sabotaged and destroyed our vaccines. Some people say that there is no vigilance because there are no weapons. We cannot distribute rifles everywhere because we do not have enough rifles. We have already said that we have more than enough hands to carry the rifles but we do have enough rifles.

I would therefore like to say that special efforts must be put forth to improve revolutionary vigilance and when we speak of revolutionary vigilance we mean that we must have revolutionary vigilance no matter what; that there must be revolutionary vigilance as needed. By doing this we are helping those who face more difficult and rough situations. It is necessary therefore for all the CDS companeros to pay close attention to the revolutionary vigilance task. We must increase the levels of vigilance so that we are best prepared to face the plans promoted by imperialism. They continue to draft their plans and we must continue to organize to defeat them. [applause]

The revolution is also concerned for the children. During the Somoza days, there was so much hunger that families who lived in the rural areas had to look for trees to pick fruit, to pick the mangoes. They ate mangoes so as not to go hungry. The infant mortality rate was high. There were children who ate only mangoes for weeks and weeks because there was no food. What the revolution did was look for the products and find a way to distribute them. Because we do not have a large production, when the time for distribution comes some people are left out. The revolution would like everyone to have everything they need, but we have to distribute what little we produce and import for the defense. So much food is going to the defense of the revolution. All those thousands of combatants have to eat, they have to nourish themselves and large amounts of food go into this.

Today cooking oil, sugar, and so on, are being sent to areas that never saw those products in the past. For example, at the haciendas owned by the rich the owners are being forced to give refreshments sweetened with sugar, coffee sweetened with sugar, a piece of cheese once in a while, a piece of meat once in a while. This means that today we are sharing the bread. In the past the bread was not shared. In the past the bread was eaten by four persons, today we are sharing this bread -- although it is not that much bigger -- with everyone. Each person gets a little piece. It is not much, but the important thing is that we are sharing it.

We must realize that at present the world, especially the countries in this region, is experiencing an economic crisis. The economic crisis was not born with the revolution. The situation is terrible in the Central American countries and you would have to go visit those countries and stay there for a while to realize the situation experienced by the Central American people. They have the same problems we have but [words indistinct]. However, we are facing this crisis with a much better spirit than any other country because we are doing it with a spirit of justice. We are trying to distribute what little we have as we can, and that is the truth.

We must add that the biggest enemy the Nicaraguan people have when speaking of the supply crisis, and an enemy that is worse than the economic crisis affecting all the Latin American countries -- the Central American countries -- is the aggression. Aggression makes the situation of Nicaragua even worse. It forces us to use resources that could be used to improve the living conditions of our people -- its food supply, education, social problems, health -- we are forced to use them for the defense of the revolution. The important thing, as our companera said, is that you understand this problem.

Another subject that I wanted to mention is the one of revolutionary vigilance. I think that you, better than anyone, can understand that the revolutionary vigilance is necessary. We will have to redouble our efforts in the revolutionary vigilance. I already said that without revolutionary vigilance everything could be damaged and destroyed. Your own security, your home, could be destroyed. The property of the community could be destroyed.

Therefore, above all we must have revolutionary vigilance. I understand that most of you participate in the revolutionary vigilance. Am I right? Yes? Do you carry out revolutionary vigilance? I do not think all of you carry out revolutionary vigilance. Let us talk honestly; if you participate in revolutionary vigilance raise your hand. I can see that we do have a majority and I am sure that the companeros who did not raise their hands have been honest. From now on, they too will do revolutionary vigilance. [applause]

NUNEZ VIEWS REVOLUTIONARY GAINS, AGGRESSION

PA122130 Managua Radio Sandino Network in Spanish 1200 GMT 12 Jul 84

[Text] Moscow -- Commander Carlos Nunez, member of the FSLN National Directorate and president of the Nicaraguan State Council, told PRAVDA during an interview that the revolution liberated the Nicaraguan people from an opprobious dictatorship and returned to them their right to true self-determination and independence, which is reflected through the homeland's defense, a nonaligned foreign policy, and the decisions which the people themselves adopt with regard to their present and future. The revolutionary leader said that imperialist aggression is what is hindering the country's socioeconomic development. He added that the Nicaraguan people are the target of constant attacks and are enduring a military, political, and economic encirclement aimed at strangling the revolution.

LAY CHRISTIANS ISSUE STATEMENT ON ELECTIONS

PA111603 Managua Radio Sandino Network in Spanish 1200 GMT 11 Jul 84

[Text] "Christians in the Face of the Electoral Process" is the title of a statement issued by rank and file lay Christians who believe, together with a large number of Nicaraguans, that our country is experiencing a true democracy. This democracy of the new Nicaragua is a project of life and with this project of life we are facing a project of death, one that kidnaps and murders in the name of democracy. The God of life, the true God, condemns this false democracy. The lay Christians maintain that this democracy will permit the people to choose those who will continue and deepen the path of justice. In raising our awareness as a nation, we are more committed and will demand more from our rulers so that our process can reach a greater commitment to the cause of the poor. The document also emphasized that, in the past, there was never political pluralism and now that we have this pluralism, there are parties that are publicly in favor of allowing the counterrevolutionary and criminal leaders to participate in the elections -- an action that is neither Christian nor human.

CONSERVATIVE PARTY APPLIES FOR LEGAL STATUS

PA112330 Managua LA PRENSA in Spanish 11 Jul 84 p 10

[Text] The Nicaraguan Conservative Party, PCN, submitted its documents requesting legal standing before Gioconda Belli Pereira, of the National Council of Political Parties, CNPP, yesterday afternoon. Notary public Ignacio Dendano Silva received the 12-page document and proceeded to read it aloud in the presence of the PCN delegates to the CNPP from each Nicaraguan department. Mario Rappaccioli, president of the PCN National Directorate, accompanied by other board members, presented the documents to the CNPP. Dr Arguello [not further identified] said that the party will submit the remainder of the documents required by the Political Parties Law in the morning. On 6 July, the PCN submitted its "Declaration of Principles" to the CNPP.

The PCN's slogan is "God, Country, Justice, and Freedom." The party's flag is green. The notary also read the PCN's charter at the ceremony, which was attended by the PCN departmental boards and the CNPP official.

The new party, which has taken its former traditional name, is comprised of primary electoral committees, municipal boards, departmental conventions, departmental boards, national convention, board of directors of the national board of directors [as published], national electoral committee, and the national judiciary committee.

The members of the new party gathered at the offices of the Higher Council of Private Enterprises, COSEP, at 1100 and remained until the document turned over to Miss Belli was read at 1700.

During the gathering, the departmental and national leaders who were present drafted a document by which they resigned from the Democratic Conservative Party, PCD, headed by Cordoba and Sotelo, in order to join the PCN. This document was also submitted to the CNPP.

VOICE OF SANDINO REPORTS OPERATIONS, CASUALTIES

Fighting on Atlantic Coast

PA121727 (Clandestine) Voice of Sandino in Spanish to Nicaragua 2300 GMT 11 Jul 84

[Text] This news just in: During a direct communication with Indian Commander Ulac of the Atlantic front in Zelaya Department, he reported that the Miskito, Sumu, and Rama Sandinist Unity [MISURASATA] combatants, who are part of the Democratic Revolutionary Alliance, ARDE, and fight under the guerrilla pattern outlined by ARDE founder and leader Commander Eden Pastora Gomez, have carried out several actions against and ambushed units ofthe pro-Soviet Sandinist People's Army [EPS] in the last week.

Commander Ulac told us: We are ready and willing right this moment. He added that last night ARDE fighters dealt new surprising blows to the occupation Army in the Atlantic mining zone.

Commander Ulac said that this offensive began 8 days ago and that the Indian fighters are making Managua's totalitarians feel the weight of Indians in the war against totalitarianism.

Commander Ulac said that the combat unit commanded by Companero Kaput attacked El Tortuguero command post, ambushing an EPS patrol near the (Poturraba) Hill. They killed two of the enemy and wounded several others. In addition, guerrilla columns of the Atlantic front checked the advance of an EPS battalion that was trying to control an extensive zone in the hands of our guerrilla columns comprised by Miskitos, Sumus, Ramas, and Creoles.

Commander Ulac also reported that another column, also led by Companero Kaput, ambushed an EPS patrol in the south of the (Tapurruna) hill. Our patrol was advancing to the west of El Tortuguero. During this clash, the enemies of our people suffered six dead and four wounded.

Commander Ulac finally reported that yesterday afternoon a guerrilla column led by Companero Purpura ambushed an EPS unit killing 18 of them and wounding many others. Our forces recovered nine AK-47 rifles and 10,000 kg [as heard] of cocaine. Our forces lost one companero, while four others were slightly wounded.

10 EPS Troops Killed

PA121432 (Clandestine) Voice of Sandino in Spanish to Nicaragua 2300 GMT 11 Jul 84

[Interim General Command of the Democratic Revolutionary Alliance, ARDE, Armed Forces War Bulletin No 250 issued on 11 July in Sarapiqui, "free territory of Nicaragua"]

[Text] The Interim General Command of the Democratic Revolutionary Alliance, ARDE, Armed Forces reports to the Nicaraguan people and friendly peoples of the world:

1. At 1300 on 24 June, the Juan Alberto Zelaya Zelaya combatant column of the Sandino Revolutionary Front's German Pomares unit, led by Companero Potente, engaged the Cuban-Soviet occupation Army at the place known as Piedra Tina, Rio Plata, in Nueva Guinea jurisdiction.

2. As a result of this clash with the enemies of our people, ARDE armed forces killed 12 of the enemy and wounded 10 others. The occupation forces of the enemies of freedom fled in disorder from the peasant rebels' heavy fire.

3. This engagement lasted 4 and 1/2 hours. Our guerrilla columns suffered no losses.

The peasants' insurrection will defeat the traitors!

Without totalitarianism or return to the past!

[Signed] Commander Ramon, Interim General Commander of the ARDE Armed Forces.

Clash With EPS Special Forces

PA122133 (Clandestine) Voice of Sandino in Spanish to Nicaragua 2300 GMT 11 Jul 84

[Interim General Command of the Democratic Revolutionary Alliance, ARDE, Armed Forces War Bulletin No 251 issued on 11 July in Sarapiqui, "free territory of Nicaragua"]

[Text] The Interim General Command of the ARDE Armed Forces reports to the heroic Nicaraguan People and the world's friendly peoples that:

1. On 23 June at 0800, the Sandino Revolutionary Front's renowned Juan Alberto Zelaya Zelaya column of the German Pomares unit clashed with pro-Soviet Sandinist People's Army [EPS] special troops in a place known as (Las Perez), Nueva Guinea jurisdiction.

2. After 2 hours of heavy fighting, the army for the defense of our national sovereignty, ARDE's military branch, killed 8 and wounded 15 soldiers of the Cuban-Soviet occupation Army. Our forces suffered no casualties.

In every ambush, in every clash, the peasant insurrection is showing the Interior Ministry's special forces and the forces undermining our national sovereignty that we are an invincible army, that we are the true Sandinists, the true revolutionaries, and that we are Nicaraguans, not mercenaries.

Against the communist intervention, liberating nationalism!

Without totalitarianism or a return to thepast!

[Signed] Commander Ramon, Interim General Commander of the ARDE Armed Forces

FDN CLAIMS 180 EPS CASUALTIES IN TORTUGUERO

PA121531 Panama City ACAN in Spanish 1500 GMT 12 Jul 84

[Text] Tegucigalpa, 12 Jul (ACAN-EFE) -- The Nicaraguan Democratic Force (FDN) reported here today that its troops occupied the port of Tortuguero for several hours in the southern part of Zelaya Department along Nicaragua's Atlantic coast.

The action was carried out on 7 July and re lted in 180 casualties being inflicted on the Sandinist People's Army [EPS] battalion positioned along the length of the air strip for the defense of the port installations.

The Nicaraguan rebels claimed that they destroyed 2 garrisons at the port and seized 3 82-mm mortars, 3 RPG-7 grenade launchers, 120 antipersonnel mines, 5 boxes of hand grenades, 80 AK-47 rifles, several M-16 rifles 3 M-60 machineguns, 40,000 rounds of ammunition, and other war material.

According to FDN spokesmen in Tegucigalpa, the occupation of the port of Tortuguero for several hours is considered the largest guerrilla penetration thus far this year in Nicaragua.

VOICE OF SANDINO CONDEMNS PRIESTS' EXPULSION

PA122339 (Clandestine) Voice of Sandino in Spanish to Nicaragua 2300 GMT 11 Jul 84

[Commentary: "The Plan To Expel Foreign Priests"]

[Text] The Nicaraguan Christian faithful have been intrigued by the fact that 1 of the 10 foreign priests of the Managua Archdiocese expelled from the country had been abroad for 4 months and, moreover, did not participate in Monday's march in support of Father Amado Pena, who has been kept secluded in the seminary under heavy guard by members of Tomas Borge's sinister State Security.

From our positions in the mountains, where we are fighting for liberty, we can explain the motivations behind these seemingly illogical events, which have so intrigued our people. We have obtained reports from members of our internal resistance forces operating within the Interior Ministry. These reports state that the plan to expel foreign priests en masse was carefully drawn up to counteract a possible peasant insurrection in the cities, which the Managua government greatly fears.

The plan had already been introduced and worked out during meetings of the misnamed FSLN National Directorate. The measure was adopted after lengthy discussions, especially on the political pros and cons of this action at the international level. The FSLN concluded that under the extreme circumstances, created by the peasant insurgency in the mountains, which is definitely threatening to move into the cities, the political sacrifice incurred by this expulsion was well worth it, because of the catalytic influence of the church on the civilian population which, precisely because of its religious beliefs, tends to seek the aid and counsel of its priests and pastors in desperate times such as a civil war. Therefore, if these priests do not support the Marxist-Leninist imprint that the FSLN has given the revolution, they become, during these trying times, not only spiritual leaders, but also leaders of the masses and are therefore threatening to the FSLN's security.

For this reason, the FSLN made up a detailed list of more than 30 clergymen, whom they described as very dangerous, who would be expelled before the false elections on 4 November. However, their decision created another problem: They had to come up with an excuse for the expulsions. The nine unanimously agreed to provoke the church in order to attribute the expulsion to specific facts and circumstances.

We believe that the trumped-up charges against Father Amado Pena are really the first part of this monstrous plan. By charging Father Pena with political crimes they want the church to react to these acts of provocation. Under such circumstances, they would receive the excuse they were looking for, or rather the pretext they need for implementing the plan against foreign priests.

It is important to keep these reports in mind since they indicate that the expulsions many continue if the people and their parish priests do not take a firm stance against this plan. We believe that the people, the Christian faithful, should not allow the priests to be taken away when members of the State Security forces arrive to take their pastors to undisclosed locations. The people should rally around their pastors, defending them morally, physically, and as Christians. For their part, the priests should not obey orders from Interior Ministry or the Immigration Directorate. Priests who have been fighting on the side of the Nicaraguan people for over 20 years, such as those who were expelled, should not feel like foreigners in our homeland. Priests who have devoted their lives to the pastoral mission in Nicaragua are more Nicaraguan than traitors who are misgoverning our homeland. Even the priest who has been in Nicaragua for the least amount of time is a thousand times more Nicaraguan than the Mexican Tirado Lopez [Commander of the Revolution Victor Manuel Tirado Lopez] who was undeservedly awarded Nicaraguan citizenship.

Priests and Nicaraguan people, do not let them remove your from you parishes.

Without totalitarianism or a return to the past!

U.S. CRITICIZES NICARAGUA'S EXPULSION OF PRIESTS

PA121729 Havana International Service in Spanish 1800 GMT 11 Jul 84

[Text] Washington once again confirmed its links with the reactionary Nicaraguan Catholic hierarchy, by expressing its most irate criticism of the sovereign decision of the Sandinist government to expel from Nicaragua 10 foreign priests involved in activities aimed at provoking a clash between the Church and the revolution.

Allan Romberg, spokesman for the U.S. State Department, criticized alleged insults uttered by Nicaraguan authorities against the Catholic Church, but abstained from replying when asked if the declarations and public activities organized by the Nicaraguan Catholic hierarchy against the Sandinist process are indeed provocations. The Sandinist government ordered the expulsion of Fathers Francisco San Martin, Mario Madriz, Benito Laplante, Miguel Huertas, Vicente Caudeli, Santiago Anitua, Francisco Castel, Mario Friandi, Benito Pitito, and Jose Luis Montero, all of them from the Managua Archdiocese.

Press sources recall that some of the hostile actions carried out by the Nicaraguan Catholic hierarchy against the revolution were pastoral letters and the recent march organized by Msgr Miguel Obando y Bravo in defense of Father Luis Amado Pena, who was caught while carrying out counterrevolutionary activities.

MEXICO STUDIES EFFECTS OF SIMPSON-MAZZOLI BILL

PA121429 Havana International Service in Spanish 1800 GMT 11 Jul 84

[Text] PRELA reporter in Mexico City Juan Roberto Losorte reports on the implications of the U.S. Simpson-Mazzoli bill for Mexico.

[Begin recording] While police authorities in Los Angeles prohibited a gigantic demonstration against the Simpson-Mazzoli bill, the Mexican Government for the first time officially reacted to the U.S. law affecting millions of Mexicans. Following precise instructions from President Miguel de la Madrid, Mexican foreign relations, government, labor, commerce and urban development secretaries met to analyze the implications of the Simpson-Mazzoli bill and to take the necessary steps to counter its negative effects. The five ministers and Senate leader Miguel Gonzalez Avelar agreed that this law affects Mexico, and the U.S.-sponsored interrelations process, historically nourished by the Mexican working force.

The declaration issued at the end of the Mexican ministerial meeting states that the immigration phenomenon affects economic aspects and interests, and that the benefits for the two countries can be easily measured, as has been mentioned and accepted in numerous bilateral meetings between Mexico and the United States, at all levels. The Mexican Government has issued instructions to its consular offices in the United States, asking them to increase their actions, in order to ensure legal protection for human and labor rights of Mexican workers in the United States, threatened by the effects of the Simpson-Mazzoli bill. The Mexican secretaries also agreed to adopt a series of internal measures to offset the effects of the repatriation of millions of workers, and in order to guarantee jobs for them in the interim period.

Meanwhile, Mexican business leader [name indistinct] warned that as a result of the Simpson-Mazzoli bill, the national recovery rate will suddenly drop, and that it will take longer to overcome the crisis. [end recording]

NICARAGUA'S RAMIREZ BEGINS LATIN AMERICAN TOUR

PA122313 Havana International Service in Spanish 0000 GMT 12 Jul 84

[Luis Cabrera report from Managua]

[Text] Sergio Ramirez Mercado, member of the Junta of the Government of National Reconstruction, has begun a tour of Panama, Venezuela, and Colombia to meet with the presidents of those countries: Jorge Illueca, Jaime Lusinchi, and Belisario Betancur.

The objective of this trip is to talk with the leaders of these countries about Nicaragua's continued peace efforts, in view of the aggression it is suffering from the U.S. Administration, and the Central American situation. He will also exchange views concerning the Contadora Group's peace initiatives.

Regarding Contadora, the Foreign Ministry disclosed that Nicaragua received the draft Contadora Group document presented by the Contadora foreign ministers within the framework of the negotiations promoted by that group and endorsed by Nicaragua. The Foreign Ministry stated that the document, submitted by the foreign ministers in their latest tour of the region, is an effort containing aspects that enjoy the consensus of the Central American countries, but others that do not yet enjoy such consensus and require further debate and reflection by them. Nicaragua believes that this effort must intensify the basic principles of international law and relations among the states, as these principles make up the adequate procedure to generate the necessary mutual trust and understanding among the states.

Ramirez Mercado's tour is also part of Nicaragua's efforts to guarantee peace in Centra America, while Nicaragua has continued to support the Contadora Group.

Arrives in Bogota

PA122213 Havana International Service in Spanish 1600 GMT 12 Jul 84

[Text] Sergio Ramirez, member of the Junta of the Government of National Reconstructio has reaffirmed in Bogota the fairness of his government's decision to expel 10 Catholic priests from Nicaragua. The Sandinist leader arrived in the Colombian capital from Caracas on a tour he is making of Contadora Group countries and immediately met with Colombian President Belisario Betancur. In remarks to the press, Ramirez reiterated that this trip materializes Nicaragua's support for the efforts and document of Contadora as a positive means for solving the Central American crisis.

RELEASED CUBAN PRISONER DESCRIBES JAIL SYSTEM

PM121242 Paris LE MONDE in French 6 Jul 84 p 4

[Unattributed report: "Cuba: 'Several Thousand Political Prisoners' says Writer Jorge Valls, Recently Released"]

[Text] Cuban University lecturer and writer Jorge Valls, arrested at the age of 30 on 8 May 1964 by the State Security forces for "antigovernment activities," was authorized by the Havana government to leave the country 23 June having served the whole of a 20 year prison term. Following a brief stopover in Caracas and another in the Netherlands, where he recieved the Rotterdam poetry prize recently awarded him, Mr Valls came to Paris, on the first leg of a tour of several European countries.

The former inmate of six of Castro's prisons spoke of his experience in jail and his knowledge accumulated over 20 years of the Cuban system of repression. According to Mr Valls, the latest figures given by Amnesty International for the number of prisoners on the Caribbean island (250) are too low; they probably include only prisoners subjected to particularly severe treatment and sentenced to the longest terms of imprisonment. This group would include political prisoners subjected to a "reeducation program" and the "recalcitrants" ["plantados"] who have refused reeducation, as well as people jailed for religious beliefs not tolerated by the regime (such as Jehovah's Witnesses) and "antisocial elements" who do not qualify as "political" prisoners. Cuba has several thousand detainees.

The prison system described by Mr Valls is extremely harsh and aims to break down oppositionists' personalities by means of techniques used in all totalitarian countries, and especially by methods of sensory destabilization (the disruption of life rhythms by creating confusion between night and day, the disruption of eating habits, and so forth). Furthermore, physical violence is not unknown and Mr Valls even alleges summary executions, sometimes in front of other prisoners.

Mr Valls' testimony is that of a man who does not conceal his hostility to the Castro regime from its earliest years. But it is also that of a man who combated the Batista dictatorship (1952-1959) to the extent of being arrested several times and exiled twice during that period. Mr Valls always struggled peacefully against Fidel Castro, who he accuses of having a "dictatorial" attitude and of intolerance toward any kind o fpolitical pluralism.

BOLIVIAN KIDNAPPER PAID BY DRUG TRAFFICKERS

PA120443 Havana International Service in Spanish 0000 GMT 12 Jul 84

[Text] Colonel Rolando Saravia, one of the leaders of the abortive coup against the government of President Hernan Siles Zuazo, received $200,000 from drug traffickers, who were planning on having a free hand in the country after the coup, Bolivian Deputy Interior Minister Gustavo Sanchez reported.

Sanchez said during a news conference that according to the latest reports, former minister Mario Galindo was the civilian who participated in planning the coup. His idea was to establish a second republic of Bolivia.

Meanwhile, Major Luis Ardaya remains under arrest in La Paz on charges of being one of the leaders of the plot to overthrow the Bolivian Government which began on 30 June with the kidnapping of President Siles Zuazo.

Galindo was arrested based on Ardaya's testimony. He also implicated the Ceballo Soto brothers, who have taken asylum in the Uruguayan Embassy. President Siles Zuazo injured a rib when he fell to the ground during the kidnapping.